



Columbus Stainless

Document no.: PUR-CON-
RAW001

Title: GENERAL TERMS AND CONDITIONS FOR PURCHASING FERROUS RAW
MATERIALS

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GENERAL TERMS AND CONDITIONS FOR PURCHASING FERROUS RAW MATERIAL

Made and entered into between:

[INSERT FULL CITATION]
(Hereinafter referred to as “ **Supplier**”)

AND

COLUMBUS STAINLESS (PTY) LTD

A private company with limited liability duly incorporated in terms of the laws of the Republic of South Africa under registration No. 1999/002477/07, having its registered address at Hendrina Road, Middelburg, 1050

(Hereinafter referred to as “**Columbus**”)

INITIAL: COLUMBUS

INITIAL: SUPPLIER



WHEREAS:

Columbus is a manufacturer of stainless steel. Ferrous Raw Materials are an integral part of the process of manufacturing stainless steel. The Supplier is willing and able provide the Ferrous Raw Material, subject to the following conditions:

1. DEFINITIONS

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

1.1.1. “**Agreement**” means this Agreement entered into and between Columbus and the Supplier that includes Columbus’ Order and these General Terms and Conditions for Purchasing Ferrous Raw Materials, together with any subsequent written amendments thereto issued by Columbus;

1.1.2. “**Conditions**” means the terms and conditions contained in the Order, and in this Agreement entered into between Columbus and the Supplier, and all attachments together with any subsequent written amendments to the Order or this Agreement. Agreement and all Annexures, duly signed by the parties;

1.1.3. “**Columbus site**” means Columbus Raw Material stockpile, Off Hendrina Road, Middelburg, Mpumalanga, South Africa;

1.1.4. “**Day**” means business day which includes Monday to Friday and excludes South African public holidays;

1.1.5. “**Incoterm 2010**” means the International Chamber of Commerce’s Official Rules for the Interpretation of standard delivery and trade terms known as Incoterms 2010 or as later amended or replaced;

1.1.6. “**Material**” means processed ferrous raw material, stainless steel scrap, mild steel scrap and carbon steel scrap.

1.1.7. “**Month**” means a calendar month;

1.1.8. “**Order**” means Columbus’ written Purchase Order, together with any subsequent written amendments thereto issued by Columbus.

2. ACCEPTANCE OF ORDER

2.1. The Supplier, by signing the Order, signifies acceptance of this Agreement and these Conditions. If the Supplier accepts an Order without signing these General Terms and Conditions for Purchasing Ferrous Raw Materials or starts to deliver the Material without signing the Order and these General Terms and Conditions, the Supplier shall be deemed to have accepted the General Terms and Conditions for Purchasing Ferrous Raw Material and shall be bound by this Agreement and these Conditions.

2.2. This General Terms and Conditions for Purchasing Ferrous Raw Material will remain in existence and apply to each and every Order or purchase concluded between Columbus and the Supplier and the Suppliers terms and conditions shall in no way be applicable, unless agreed otherwise in writing.

2.3. The terms and conditions in the Order shall supersede these General Terms and Conditions.

INITIAL:COLUMBUS

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3. SPECIFICATION OF FERROUS RAW MATERIAL

3.1. Size and Specifications of the Material shall be as follows:

- 3.1.1. The Material must be declared to be free from radioactivity in accordance with the requirements of the National Nuclear Regulator (NNR).
- 3.1.2. The grading specifications are in accordance with the Metal Recyclers Association (MRA), South Africa Iron and Steel Institute (SAISI) and South Africa Institute of Foundries (SAIF) agreed to "Guidelines & Specifications for Recycled Ferrous 2000", which in essence is an adaptation of the Institute of the Scrap Recycling Industries (ISRI) specifications.
- 3.1.3. Unless specified elsewhere in this Agreement or an Order, the standard size for the Material is 1 000mm x 500mm maximum.
- 3.1.4. Pipes with a diameter >300mm, should be cut across the diameter.
- 3.1.5. The Material should be of a form that will not induce entanglement (i.e. steel wire rope and re-enforcing bar must be cut to 1 500mm lengths maximum).
- 3.1.6. Enclosed containers must be punctured with more than one hole of at least 100mm in diameter to prevent entrapment of water or other liquid's.
- 3.1.7. All bales must be tightly compressed and secured as defined in ISRI 208 and 216 for handling with a grab and may not unravel.

3.2. Exclusions - Non-Conforming Material

- 3.2.1. Material arising from Phoskor Works or any Tin Mines shall not be supplied to Columbus.
- 3.2.2. High density coolant Material shall be rust-free and contain no zinc coated or painted products.
- 3.2.3. The items listed hereunder should not be mixed into the Material supplied to Columbus:
 - 3.2.3.1. Explosive or explosive related products;
 - 3.2.3.2. Radioactive material;
 - 3.2.3.3. Rail accessories i.e. sleepers, fish plates, base plates, sleeper bolts, rail clips or rail brake shoes;
 - 3.2.3.4. Cast iron and castings i.e. engine blocks, manifolds, electric motor housings and armatures.;
 - 3.2.3.5. Gas cylinders, fire extinguisher's and bottles;
 - 3.2.3.6. Material without the appropriate punctures i.e. enclosed containers, shock absorbers, hydraulic cylinders;
 - 3.2.3.7. Drill steel rods and core with high manganese levels;
 - 3.2.3.8. Non magnetic Material and manganese steels;
 - 3.2.3.9. Compressed tins i.e. beer or cold drink cans;
 - 3.2.3.10. Tangling material;
 - 3.2.3.11. Components containing oil i.e. engine blocks;
 - 3.2.3.12. Non-metallic and Non-ferrous material i.e. soil, plastic, solder, lead, sediment build-up, rubber, cement, wood, dirt, coal, carburetors, copper, galvanized zinc, plated



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mild steel, brass or bearings .

3.2.4. Non-conforming Material shall be viewed as a material breach of this Agreement and shall not be accepted by Columbus and be returned to the Supplier at no cost to Columbus.

3.3. Chemical Analysis

The specification of all Ferrous Raw Material should be as detailed below:-

	C	S	P	Mn	Si	Fe	Mo	Cr	Ni	Cu
Min	-	-	-	-	-	97.00%	-	-	-	-
Max	0.500%	0.035%	0.030%	1.650%	0.500%	-	0.100%	0.200%	0.450%	0.35%

Coolant and new black bales have the same specifications, except the following

	C	Mn
Average	0.300%	0.400%

3.4. Grading

Columbus Grade	ISRI Code	Item	Description
A201	200/201 /202	No. 1 Heavy Melting Steel	Heavy melting steel scrap 6mm and over in thickness. Individual pieces not over 1000mm x 500 mm, prepared in a manner to ensure compact charging.
A204	204	No. 2 Heavy Melting Steel	Steel scrap, maximum size 1000mm x 500mm. May include automobile scrap, properly prepared.
A205	205	No. 2 Heavy Melting Steel	Steel scrap, maximum size 1000mm x 500mm. May include automobile scrap, properly prepared however, to be free of thin gauged material. Minimum 3.2mm and over in thickness.
A207	207	Bushelings	Clean steel scrap, not exceeding 300 mm in any dimensions, including new factory bushelling (e.g. sheet clippings, stampings, etc). May not include old auto body and fender stock. Free of metal coated, limed, vitreous enameled, and electrical sheet containing over 0.5% Si.
A208	208	No. 1 Bundles (New Black Bales)	New black steel sheet scrap, clipping or skeleton scrap, compressed to bales. 600mm x 600mm Maximum size and weighing not less than 1 200kg per cubic meter. A208 (local) and B208 (imported).
A209	209	No. 2 Bundles	Old black steel sheet scrap, compressed to bales. 600mm x 600mm Maximum size and weighing not less than 1 200kg per cubic meter. May not include tin or lead-coated material or vitreous enamelled material.
A211	211	210/211	Homogeneous shredded steel scrap, magnetically separated. Average density 1 120kg per cubic meter.
A236	236	Structural Steel	Cut structural and plate steel scrap, crop ends, shearings or broken steel tires. Dimensions not less than 6mm in thickness, not over 1 000mm in length and 500mm in width.
A242	242	Foundry Steel	Steel scrap 3mm and over in thickness, not over 600 mm in length or 500 mm in width. Individual pieces free from attachments. May not include nonferrous metals, cast or malleable iron, cable, vitreous enamelled or metal coated material

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A249	A249	Chargeable Slab Crops	Chargeable steel slab crops, maximum size 1 000mm x 500mm (mass per piece, maximum 1000kg).
A28C	(28C)	Rail Steel (Cropped Rail Ends)	Rail steel, no.2 cropped rail ends. Standard section, original weight 25 kg per meter and over, 1000mm long and under.
B024	(24)	Rail Road Melting Steel No. 1	Rail truck steel scrap, maximum size 1 000mm x 500mm x 6mm and over in thickness. May include pipe ends and material 3mm - 6mm in thickness, not over 380mm x 380mm. Individual pieces cut so as to lie reasonably flat in charging box.
B211	207A	New Black Sheet Clippings	Clean steel scrap, not exceeding 2400mm by 500mm, including new factory bushelling (e.g. sheet clippings, stampings, etc). May not include old auto body and fender stock. Free of metal cotated, limed, vitreous enameled and electrical sheet containing over 0.5% Si.
C211		Coolant	Low alloy coolant scrap. Ball shaped scrap, smaller than 60mm in diameter and larger than 10mm x 10mm x 5 mm, average density 2 000kg per cubic meter.

4. TRANSPORT

- 4.1. All grades of Material will be delivered with a vehicle that can tip the load, i.e. back-tipper trucks only and/or back opening containers that can be tipped. Specific exclusions must be pre-arranged, i.e. delivery on flat bed trucks or with side-tipper trucks. The request must be made in writing and approved by Columbus.
- 4.2. In the event of breakdowns of vehicles and/or part of or combination of the vehicle, it will be the Supplier's responsibility to ensure the vehicle or combination is removed from site as soon as is reasonably possible. Any costs incurred as a result shall be for the Suppliers account.
- 4.3. In the event that the Suppliers vehicle breaks down at a critical place, or obstructs Columbus' production process, Columbus shall have the right to immediately remove the Suppliers vehicle from the Columbus Site, and all costs incurred may be set off from any amounts which may become due or owing to the Supplier.

5. DELIVERY

- 5.1. The Material shall be delivered to Columbus and according to the specific Incoterm as set out in the Order.
- 5.2. The Supplier shall deliver the Material on the date as specified in the Order.
- 5.3. The Supplier shall provide the following documentation on delivery of Material to Columbus.
 - 5.3.1. Delivery notes for road deliveries contain the following information:
 - 5.3.1.1. Columbus' registered Suppliers name
 - 5.3.1.2. Columbus' purchase order number.
 - 5.3.1.3. Columbus' material item code.
 - 5.3.2. Printed weigh bridge ticket containing gross, tarre and net mass for each road truck and weigh in and weigh out time and date.

6. OWNERSHIP

Transfer of title will pass on the date when the material is off loaded into the specified stockpile and accepted by Columbus Stainless (Pty) Ltd, Middelburg.



7. RADIOACTIVITY

- 7.1. Columbus will not accept any Material deliveries that trigger our Radio Active detection units.
- 7.2. Columbus will notify the Supplier, and the NNR (National Nuclear Regulator) in the event of Columbus' Radio Active unit being triggered.
- 7.3. When the NNR confirms a load as radioactive, Columbus will impose a penalty of R50 000(fifty thousand rand) per load, against the Supplier.
- 7.4. The penalty shall be payable by the Supplier within 7 (seven) days from date of written notice by Columbus, failing which the full penalty amount may be set off from any amounts which may become due or owing tot the Supplier.
- 7.5. All transport costs and/ or any other costs associated with remedying any incident involving radioactive material, including, but not limited to, removing and disposal of the source and the decontamination of any item will be for the account of the Supplier. In any event if the NNR requires the load to be re-routed all costs incurred for re-routing the load shall be fore the Suppliers account.

8. QUANTITY

- 8.1. Columbus will furnish the Supplier with a Order indicating volumes required.
- 8.2. Columbus reserves the right to increase or decrease the volumes, as may be required by the production schedule.

9. CONSIGNMENT STOCK

In certain instances, Parties may mutually agree in writing to the terms of the supply of Material on a consignment stock basis. In the event of Consignment stock being applicable, the following conditions shall apply:

- 9.1. Ownership and full title to the Consignment Material shall remain with the Supplier until such time as a notification has been issued by Columbus.
- 9.2. Columbus shall bear the risk in the Consignment Stock from the time the Material is offloaded onto Columbus raw material stockpiles and while the Material remains in consignment stock.

10. MASS DETERMINATION

- 10.1. The mass of the Material shall be determined by Columbus' assized weighbridge, which shall constitute prima facie proof of the tonnages of Material delivered to Columbus.
- 10.2. In the event that there is a mass difference of more than 250 kilograms up or down, Columbus reserves the right to investigate such discrepancy after notice to the Supplier. The Supplier shall be entitled to request a copy of the assizing certificate of the Columbus' weighbridges.

11. PRICE

- 11.1. All prices are inclusive of all duties, charges, licenses and other fees but exclusive of VAT. This Agreement shall be subject to VAT as imposed by the South African Revenue Service as per the Purchase order.
- 11.2. Payment is subject to any deductions and retentions authorized in terms of these conditions and the



performance by the Supplier of all of its obligations in strict accordance with the terms of the Order.

- 11.3. Payment will be made in the currency specified in the Order.
- 11.4. Payment made by Columbus will not affect the rights of Columbus hereunder or be interpreted as approval or acceptance of the Material.

12. PAYMENT AND TERMS OF PAYMENT

- 12.1. Payment shall be made, without prejudice to the rights of Columbus, under any of the terms and conditions of this Agreement provided that:

- 12.1.1. A valid tax invoice is received by Columbus Stainless, Attention: Creditors Control, Private Bag 251844, Middelburg, 1050 or provided that an 128 bit encrypted tax invoice is e-mailed to finance.creditors@columbus.co.za, on or before the :
- 7th day of the month following the month of deliveries.

- 12.1.2. All invoices, including electronic invoices must be Tax Invoices as required by the Value Added Tax Act 89 of 1991 (section 20(4)) as amended. Tax invoice correspondence are to reflect the Columbus order number and/or contract number

- 12.2. Payment shall be based on the net mass as set out in Clause 10.
- 12.3. The Material delivered (gross and tarred) up to 12:00 the last day of the calendar month shall be deemed as Material delivered during the delivery month, and all Material delivered after shall fall into the next delivery month, unless Columbus specifies it differently due to production requirements.
- 12.4. In the event that a tax invoice is received after the date specified, payment may be deferred until the accounts for the next payment period falls due.
- 12.5. Columbus shall not pay any interest on any late payments due to incorrect Supplier invoices.
- 12.6. Columbus standard payment terms are sixty (60) days from the end of the month of delivery, unless otherwise agreed to in writing.

13. NON-EXCLUSIVE SUPPLY

- 13.1. Columbus shall purchase the Material from the Supplier on an “as and when” required basis, at Columbus’ sole discretion.
- 13.2. This Agreement shall not amount to an exclusive supply Agreement and Columbus shall be entitled to use other suppliers should it so require.

14. TESTING AND INSPECTION

- 14.1. Columbus, its authorized representatives and any independent inspection authority appointed by Columbus shall have the right:
 - 14.1.1. to inspect and test the Material at all reasonable times prior to delivery at the Supplier’s works or after delivery at Columbus works, as Columbus may deem necessary or desirable;
 - 14.1.2. to audit the Supplier’s quality assurance systems.



15. SUBCONTRACTING

- 15.1. The Supplier shall not sub-contract the whole or any part of this Agreement without the prior written consent of Columbus, which consent shall not be unreasonably withheld.
- 15.2. Subcontracting shall not relieve the Supplier from any liability or obligation under this Agreement and the Supplier shall be responsible for the acts and defaults of any subcontractor, their agents, servants or workmen as fully as if they were the acts and defaults of the Supplier.
- 15.3. Columbus reserves the right to cancel this Agreement, without any payment whatsoever, in the event of the Supplier's breach of this clause.

16. TIME OF ESSENCE

- 16.1. The time specified in this Agreement for delivery of the Material is of the essence and of the utmost importance. This Agreement is concluded on the definite understanding that delivery shall be affected not later than by the date or dates as agreed to by the Parties. Partial delivery is not permitted without Columbus' written approval. The Supplier shall furnish such programs of production and delivery as Columbus may reasonably require. The Supplier shall notify Columbus within 3 (three) days if it becomes evident that compliance to the agreed delivery dates or volumes will be compromised.
- 16.2. If the Supplier's performance is behind schedule, Columbus shall have the right and discretion by notice in writing in addition to its other remedies, to require that the Supplier immediately takes appropriate corrective action. In the event that corrective action is not taken within a reasonable time as requested by Columbus, it shall amount to a material breach of the conditions hereto.

17. WARRANTIES

- 17.1. The Supplier is a Ferrous Raw Material Metal Supplier and warrants that:
 - 17.1.1. It shall comply fully with all the laws and specifically all Occupational Health, Safety and Environmental Laws;
 - 17.1.2. It shall obtain all the necessary permits or Environmental Authorisations in order to handle, transport and deliver the Material;
 - 17.1.3. it is fully experienced and properly organized, financed, equipped, staffed, qualified, licensed and fully compliant with all relevant legislation;
 - 17.1.4. it is able to fulfill its obligations in terms of this Agreement and comply with Columbus' standard policies and procedures applicable to this Agreement. The Supplier undertakes to obtain the applicable Columbus' standard policy and procedures from Columbus on or before commencement of this Agreement;
 - 17.1.5. should the Transport and Materials used in this Agreement not be as warranted by the Supplier, Columbus shall be entitled to the remedies available to it in law and as set out in this Agreement;
 - 17.1.6. should any aspect of the Supplier's business change with the effect that the Supplier is no longer able to carry out its obligations in accordance with this Agreement, it will immediately notify Columbus in writing. This may include a change in shareholding or management.



17.2. Should the Supplier not comply with the above warranties, Columbus shall in its discretion, have the right to terminate this Agreement immediately. The Supplier shall in terms of this Clause 17 have no claim for damages or right of recourse against Columbus for such termination.

18. INDEPENDENT SUPPLIER

The relationship, which the Supplier and its subcontractors hold to Columbus, is that of an independent Supplier. It shall serve as an independent Supplier, and under no circumstances shall it be, or be deemed to be, a partner, joint venture partner or employee of Columbus in the performance of its duties and responsibilities pursuant to this Agreement.

19. GIFTS

19.1. The Supplier shall not offer, or agree to give to any person in the service of Columbus or any member of their family, or any person claiming to act, or acting on behalf of any such person, any gift or consideration of any kind as an inducement or reward for doing, or refraining from doing, or for having done or having refrained from doing, acts in relation to the obtaining or execution of this Agreement.

19.2. Upon breach of this provision by the Supplier, or anyone employed by the Supplier, or acting on behalf of the Supplier (whether with or without the Supplier's knowledge), Columbus shall have the right to terminate this Agreement without notice and to recover from the Supplier forthwith the amount of any loss resulting from such termination, including the value of such gift or consideration.

20. POACHING AND TOUTING OF EMPLOYEES

The recruitment of labor on Columbus' premises or site is expressly prohibited.

21. USE OF EITHER PARTIES' NAME

Both Parties shall not use or disclose the name of the other Party in any advertising, media related or publicity material, nor make any form of representation or statement in relation to this Agreement which would constitute an expressed or implied endorsement by either party of any commercial product or service, or authorise others to do so without having obtained prior written authorization from the other Party.

22. INDEMNITY AND INSURANCE

22.1. The Supplier accepts full and final responsibility for the loading, transport and delivery of the Material to Columbus' site.

22.2. The Supplier hereby holds harmless and indemnifies Columbus from all liabilities, claims, costs (including reasonable attorneys fees) expenses, damages, injuries, death, demands and proceedings caused by or arising out of or incidental to the failure of the Supplier to perform its obligations in terms of the Order or this Agreement.

22.3. The Supplier shall procure and maintain until the fulfillment of all its obligations under the Order, the following minimum insurances acceptable to Columbus:

22.3.1. Adequate insurance to cover the full replacement value of the Materials sold hereunder until



deliver to the delivery point specified in the Order; and

22.3.2. Any insurance which may be required by law or with respect to the Suppliers employees; and

22.3.3. Insurance in respect of legal liability for accidental death or injury to third parties (which includes subcontractors or workmen of the Supplier) or damage to the property of third parties arising out of and occurring during the execution of the Services in terms of the Order.

22.4. Any costs that occur out of any damages on Columbus site caused by the Supplier or its subcontractors, whether it is environmental or in any other way, will be for the Suppliers account.

23. LIMITATION OF LIABILITY

23.1. Under no circumstances whatsoever, including as a result of a Party's negligent (including grossly negligent) acts or omissions or those of its employees, agents or Suppliers or other persons for whom in law that Party may be liable, shall that Party or its employees, agents or Suppliers (in whose favour this constitutes a *stipulatio alteri*) be liable for any indirect, extrinsic, special, punitive, exemplary or consequential loss, damage or damages of any kind whatsoever or howsoever caused.

23.2. The Supplier shall be liable for direct damages caused by any of its employees, agents or suppliers or other persons for whom in law that Party may be liable.

24. FORCE MAJEURE

24.1. Save to the extent that such liability is covered in terms of appropriate insurance cover, neither party shall be liable for inability to perform, or delayed performance in terms of this Agreement or any Order should such inability or delay arise from any cause beyond the reasonable control of that party hereinafter referred to as a "Force Majeure" event.

24.2. For the purposes of this clause, a Force Majeure event shall without limitation to the generality of the a foregoing, be deemed to include strikes, lock-outs, accidents, fire, explosions, theft, war (whether declared or not), invasion, acts of foreign enemies, acts of God, hostilities, riot, civil insurrection, flood, earthquake, lightning, act of local or national government, martial law, or any other cause beyond the reasonable control of the Parties.

24.3. In the event that any such delay occurs or is anticipated, the party delayed or anticipating delays, shall immediately notify the other party in writing of the delay and shall provide proof thereof by means of official certificates and/or attestations, legally authenticated, by not later than 7 (seven) days from the party's first becoming aware of the Force Majeure event.

24.4. In the event of a delay, the party delayed shall, at no cost to the other party, exercise due diligence to shorten and avoid further delay and shall keep the other party advised as to the continuance of the delay and steps taken to shorten or terminate the delay. The Supplier shall not in any event be entitled to additional or extra compensation for any losses whatsoever due to the causes or events described above.

24.5. During Force Majeure occasioned by the Supplier in which it is unable to supply the full quantity of Material required by Columbus, the Supplier shall endeavor to acquire the Material from third parties.

24.6. Should the Force Majeure continue for a period longer than 14 days, either party may terminate this Agreement or the Order by means of a written notice to the other party.



24.7. The Supplier warrants that it is not aware of any circumstances at this time, which would inhibit its ability to perform its obligations in terms of this Agreement.

25. CONFIDENTIALITY AND DATA PROTECTION

25.1. Any information as obtained by either Party to this Agreement in terms of, arising from or relating to the conclusion or implementation of this Agreement, shall be treated as confidential by such Party and shall not be divulged or permitted to be divulged to any person not being a Party to this Agreement without the prior written consent of the other Party, save to the extent that any such information is already in the public domain, subsequently becomes lawfully part of the public domain by publication or otherwise; is disclosed pursuant to a requirement or request by operation of law, regulation or court order or is or becomes available to a Party from a source other than the Party which is lawfully entitled without any restriction on disclosure to disclose such information.

25.2. The Parties agree to use the same standard of care (which shall not amount to less than a reasonable standard of care) in protecting the information, as it would protect its own information.

25.3. Both Parties hereto shall be required to observe the provisions of data privacy legislation.

25.4. The Supplier hereby consents to Columbus collecting, storing, and using the Supplier's data as required for the implementation and enforcement of this Agreement, general insurance purposes, crime prevention and any other purpose which may be required in the fulfillment of this Agreement or any Order.

25.5. In certain instances, the disclosure of the Suppliers information may involve of a transfer outside the Republic of South Africa.

26. BREACH AND DISPUTE RESOLUTION

26.1. Should any party breach or otherwise be in default of any of its obligations under or in terms of this Agreement and remain in default or fail to remedy such breach within 7 (Seven) days of receipt of written notice calling upon it to do so, the other party will be entitled, but not obliged, in addition to any other rights which it may have or remedies which may be available to it –

26.1.1. to cancel this Agreement forthwith, with or without claiming damages;

26.1.2. to obtain an order against such defaulting party for specific performance with or without claiming damages;

26.1.3. to claim such damages as it may have suffered in lieu of specific performance, together with all amounts owing under or in terms of this Agreement, whether or not such amounts have become due for payment.

26.2. Columbus shall furthermore have the right to cancel and terminate this Agreement or any Order forthwith without the payment of any compensation to the Supplier for any damages whatsoever including loss of business and/or profits resulting from such cancellation, in the event that:

26.2.1. The Supplier is unable to pay its debts when they become due or the Supplier makes any arrangement for the benefit of its creditors or is dissolved;

26.2.2. the Supplier is placed under liquidation, either provisionally or finally, whether voluntarily or compulsory;



- 26.2.3. The Supplier is subject to Business Rescue proceedings in terms of Chapter 6 of the Companies Act No.71 of 2008.
- 26.2.4. The estate of the Supplier is sequestrated or surrendered, either provisionally or finally;
- 26.2.5. The death of the Supplier whether the Supplier be an individual or a member of a partnership or syndicate;
- 26.2.6. A judgment in any competent court is given against the Supplier which judgment is not satisfied within a period of 14 (Fourteen) days;
- 26.2.7. The major portion of the assets of the Supplier are disposed of or the majority shareholding of the Supplier is transferred.

26.3. In the event of this Agreement being cancelled in terms of this clause 26, then notwithstanding any other rights, which may accrue to Columbus under any of the terms and conditions of this Agreement or in law, such cancellation, shall be without prejudice to any claim for damages, which Columbus might have against the Supplier.

27. ASSIGNMENT

- 27.1. No Party shall be entitled to cede or assign its rights or obligations in terms of this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld.
- 27.2. In considering whether it should consent to a cession as provided for in clause 27.1 , Columbus is entitled to require that both the Supplier and the third party cessionary provide it with original letters, and such other documents as Columbus may require to satisfy itself that the Supplier genuinely intends to cede its rights in respect of any amounts payable by Columbus to such third party cessionary.

28. HARDSHIP

In the event that Columbus' production of stainless steel drastically reduces due to adverse market conditions, then subject to providing notification to the Supplier Columbus, shall within 30 (thirty) days from the date of notification be excused of its obligations until such time as the adverse market conditions have passed.

29. APPLICABLE LAW AND JURISDICTION

This Agreement is to be interpreted and implemented in accordance with the law of the Republic of South Africa.

30. DOMICILIUM CITANDI ET EXECUTANDI

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, the addresses as they appear on the 1st page of this Agreement..

31. WHOLE AGREEMENT, NO AMENDMENT

- 31.1. This Agreement constitutes the whole Agreement between the parties relating to the subject matter hereof.

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INITIAL: SUPPLIER



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- 31.2. No amendment or consensual cancellation of this Agreement or any provision or term hereof or of any Order, bill of exchange or other document issued or executed pursuant to or in terms of this Agreement and no settlement of any disputes arising under this Agreement and no extension of time, waiver or relaxation or suspension of any of the provisions or terms of this Agreement, shall be binding unless recorded in a written document signed by both parties Any such extension, waiver or relaxation or suspension which is so given or made shall be strictly construed as relating to the matter in respect whereof it was made or given.
- 31.3. To the extent permissible by law no party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, whether it induced this Agreement and/or whether it was negligent or not.

32. STATUTES AND REGULATIONS

It is a condition precedent that the Supplier will not enter Columbus' site or commence work unless and until the supplier, its subcontractors and their respective employees, servants, agents, licensees and invitees has signed the Written Agreement in terms of the Occupational Health and Safety Act, 1993 and the National Environmental Management Act, no. 107 of 1998 and until the Supplier has received permission to do so from the applicable Columbus Manager, Engineer or Risk Control Incumbent.

FOR AND ON BEHALF OF _____

SIGNED AT _____ ON THIS _____ DAY OF _____ 20__

NAME:
Duly authorized

NAME:
Duly authorized

CAPACITY: _____

CAPACITY: _____

FOR AND ON BEHALF OF COLUMBUS STAINLESS (PTY) LTD

SIGNED AT _____ ON THIS _____ DAY OF _____ 20__

Manager Raw Materials Purchasing
Cor Weilbach

Senior Manager Purchasing
S.L Prinsloo