

CREDIT TERMS AND CONDITIONS INCLUDING DEED OF SURETYSHIP

These are our extended Credit Terms and Conditions.

Please initial each page of this document where indicated, and sign fully at the end of the document.

These terms and conditions must be read together with the General Terms and Conditions of Sale, Warranty Policy as well as Rectron's Repair and Replacement Policy and Service Procedure.

The General Terms and Conditions of Sale, Warranty Policy and Rectron's Repair and Replacement Policy and service procedure will be emailed to you, and are available on the Rectron website. Once you sign these Cash Terms and Conditions, you will have signified that you have read and understood the General Terms and Conditions of Sale, the Warranty Policy and the Repair and Replacement Policy and Service Procedure.

Should you not have received the General Terms and Conditions of Sale, Warranty Policy and/or the Repair and Replacement Policy and Service procedure, you may request same by emailing us at eveannem@rectron.co.za.

In making an application for credit facilities, please ensure that the following documentation is submitted with the original and duly signed Credit Terms and Conditions:

1. The original Dealership Application;
2. Proof of Banking Details in the name of the Dealer (Cancelled Cheque or Bank Letter);
3. CIPC Registration Documents;
4. Copies of the Identity Documents of all Directors;
5. Proof of Business Address (Utility Bill or Lease Agreement); and
6. Resolution by the Dealer authorising the Signatory's signature of this Agreement.

1. INTERPRETATION AND DEFINITIONS

In these terms and conditions, unless the context clearly indicates a contrary intention, the provisions relating to the interpretation of the General Terms and Conditions of Sale and the expressions defined in the General Terms and Conditions of Sale shall bear the meanings assigned to them therein.

2. ACCOUNT AND CREDIT FACILITIES

- 2.1 Rectron shall, at its sole discretion, decide whether to grant credit facilities to the Dealer. Should Rectron grant credit facilities to the Dealer, the nature and extent of such credit facilities shall also be at the sole discretion of Rectron.
- 2.2 The Dealer authorises and consents to Rectron making enquiries of whatsoever nature to reach a decision on whether or not to grant credit facilities to the Dealer and the nature of such credit facilities.
- 2.3 Rectron reserves the right to increase, decrease, suspend, withdraw or terminate any credit facility granted to the Dealer at any time at the sole discretion of Rectron. Specifically, the Dealer acknowledges that Rectron

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may refuse to grant credit facilities to the Dealer in the event of a failure on the part of the Dealer to deliver the original signed Dealer Application, together with all information and/or documentation required by Rectron.

- 2.4 Until a determination has been made by Rectron as contemplated in 2.1 above, any Goods supplied by Rectron to the Dealer shall be supplied on a cash on order basis only.
- 2.5 Should Rectron grant a credit facility to the Dealer, the Dealer acknowledges that such account is personal to the Dealer to whom the credit facilities were granted and the Dealer may under no circumstances allow any third party to accept service from Rectron using the Dealer's credit facilities.

3. FURNISHING OF INFORMATION BY THE DEALER AND USE OF INFORMATION

- 3.1 The Dealer hereby agrees to furnish Rectron with all Information reasonably required by Rectron to enable it to comply with its obligations upon request by Rectron.
- 3.2 The Dealer hereby consents to the collection, processing and use of all Information provided to Rectron in terms of this Agreement and the sharing of such Information with third parties, including but not limited to a Credit Bureau, in order for Rectron to verify the Dealer's Information, make a decision as to whether to grant the Dealer credit facilities, for purposes of carrying out and managing business operations, for legal reporting obligations and credit enquiries and any other legitimate purpose as Rectron in its sole discretion deems fit.
- 3.3 The Dealer warrants that the Information given is true and correct in every respect.
- 3.4 The Dealer hereby agrees to update its Information upon any changes thereto. The failure to update Information may, at Rectron's sole discretion, lead to a termination or reduction or suspension of the Dealer's credit facility with Rectron.
- 3.5 The Dealer undertakes to inform Rectron in writing at least 30 (thirty) days prior to the intended sale or alienation of part or the whole of the Dealer's business or changing the principal and/or shareholding of/in the Dealer's business. The Signatory and/or surety will remain liable to Rectron for any amount payable to Rectron notwithstanding the sale of the business to a third party, alternatively the Signatory and/or the surety are estopped from denying their liability notwithstanding the sale or alienation or transfer of the part or the whole of the Dealer's business and/or membership interest and/or shareholding.

4. PAYMENT

- 4.1 The purchase price in respect of any Goods sold by Rectron to the Dealer in terms of this Agreement shall be payable:
 - 4.1.1 by the Dealer to Rectron;
 - 4.1.2 by electronic funds transfer or credit card;
 - 4.1.3 Immediately on the due date;
 - 4.1.4 in South African currency without deduction, set off or withholding for any reason whatsoever;

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- 4.2 during or before the expiry of the credit period recorded on the Dealer Application, which period shall commence upon the issuing of an invoice by Rectron or as directed by Rectron on its statement / tax invoice.

5. OWNERSHIP

- 5.1 Ownership of the Goods shall not pass to the Dealer until the full purchase price, including interest, if any, in respect of the Goods in question has been paid. The provisions hereof shall apply notwithstanding the installation of such Goods in the Dealer's premises or the accession thereof to any of the Dealer's Goods or that the Goods may be incorporated into or form part of other Goods or change their essential character. All Goods, whether fixed to immovable property or not, shall be deemed to remain moveable property and be deemed to be severable without injury to either moveable or immovable property.
- 5.2 Rectron reserves the right to inform the owner/landlord of the premises in which the Goods are or at any time may be, of the provisions of this clause 5. The Dealer shall be obliged to advise Rectron of the name and address of the landlord of any such premises and shall promptly advise Rectron of any change in the name and/or the address of any landlord or of any new landlord.
- 5.3 The Dealer shall take all such steps as may be necessary to notify interested third parties that ownership of the relevant Goods has not passed from Rectron to the Dealer. In particular the Dealer shall inform the owner/landlord of the premises in which the Goods are or at any time may be, of the provisions of this clause 5. The Dealer shall produce written proof of such notices to Rectron on demand.

6. INSURANCE

The Dealer shall, at its own expense, and prior to taking delivery of the Goods, insure the Goods and thereafter keep the Goods insured until such time as the Goods have been paid for in full. The Dealer shall, if so required by Rectron, cede to Rectron all rights in terms of such insurance policy.

7. GENERAL TERMS AND CONDITIONS OF SALE AND POLICIES AND PROCEDURES

7.1 The Dealer hereby acknowledges having read, understood and accepted:

- 7.1.1 Rectron's General Terms and Conditions of Sale;
- 7.1.2 Rectron's Warranty Policy; and
- 7.1.3 Rectron's Repair and Replacement Policy and Service Procedure;

7.2 The Dealer undertakes to comply with and adhere to the General Terms and Conditions of Sale, the Warranty Policy and the Repair and Replacement Policy and Service Procedure in full, and acknowledges that any form of non-compliance or partial compliance with the General Terms and Conditions of Sale, Warranty Policy and/or Repair and Replacement Policy and Service Procedure shall be a material breach of this Agreement.

8. SECURITY FOR OBLIGATIONS

Rectron reserves the right to require satisfactory security from the Dealer, in addition to that provided for herein, for the due performance of any of the Dealer's obligations hereunder including but not limited to the payment of the purchase price, guarantees or letters of credit. If Rectron so requires, the Dealer shall deliver to Rectron prior to Rectron complying with any of its obligations hereunder, any such security required by Rectron. If such security is not

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furnished within 7 (seven) days after any such demand, Rectron shall be entitled to withdraw from the Agreement in whole or in part.

9. CESSION OF BOOK DEBTS

- 9.1 The Dealer hereby irrevocably cedes and assigns and transfers, makes over unto and in favour of Rectron, all the Dealer's right, title and interest in and to its claims against its debtors, both present and future and from whatsoever cause arising, as security for all or any of the amounts which the Dealer may now or at any time in the future owe to Rectron.
- 9.2 The Dealer irrevocably and in rem suam authorises Rectron in its absolute discretion to claim from all or any of the Dealer's debtors the whole or any portion of the indebtedness of any one or more of them, to give a valid receipt or discharge for such indebtedness, to take any action in its name in any court of competent jurisdiction and to proceed in execution thereunder against all or any of the said debtors, to cede, transfer, negotiate, pledge or otherwise deal with all or any of the said debtors, to exchange promissory notes, cheques, agreements, documents of title or any other security held by the debtor.
- 9.3 The security created by the cession shall be a continuing one, notwithstanding any fluctuation in the amount of the indebtedness of the Dealer to Rectron.
- 9.4 The Dealer hereby undertakes on demand, to furnish Rectron with such information concerning its debtors as may be reasonably required, to enable Rectron to give effect to the provisions of this clause.

10. DEED OF SURETYSHIP AND WARRANTY OF AUTHORITY

- 10.1 The Signatory, by his signature hereto, binds himself in favour of Rectron, its successors In title and assigns as surety for and co-principal debtor in solidum with the Dealer for the due and punctual performance by the Dealer of all its obligations to Rectron in terms of this Agreement. The suretyship obligation is an unlimited obligation with regard to any and all present and future indebtedness already incurred or to be incurred by the Dealer notwithstanding any agreed limit from time to time.
- 10.2 The suretyship in clause 10.1 shall remain of full force and effect notwithstanding:
- Any indulgence, concession, leniency or extension of time which may be shown or given by Rectron to the Dealer;
- Any amendments to this Agreement and/or any other agreement for the time being subsisting between the Parties.
- 10.3 The surety hereby renounces the benefits of the legal exceptions non causa debiti (no cause for debt), errore calculi (error in calculation), excussion, division, no value received and revision of accounts, with the meaning and effect of all of which he declares himself to be fully acquainted.
- 10.4 The Signatory warrants, as a material warranty which Rectron relies on in entering into this Agreement, that he is duly authorised to represent and bind the Dealer to this Agreement, and that he has read and understood each term and condition of this Agreement and accepts them as binding on him and the Dealer.
- 10.5 The surety shall be liable for all costs incurred by Rectron in the recovery of any amounts or the enforcement of any rights which it has hereunder, including collection charges and costs on an attorney and own client

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scale and costs of counsel as on brief whether incurred prior to or during the institution of legal proceedings or if judgment has been granted, in connection with the satisfaction or enforcement of such judgment.

- 10.6 The surety hereby agrees to furnish Rectron with all Information reasonably required by Rectron.
- 10.7 The surety hereby consents to the collection, processing and use of all Information provided to Rectron in terms of this Agreement and the sharing of such Information with third parties, including but not limited to a Credit Bureau, in order for Rectron to verify the surety's Information, make a decision as to whether to grant the Dealer credit facilities, for purposes of carrying out and managing business operations, for legal reporting obligations and credit enquiries and any other legitimate purpose as Rectron in its sole discretion deems fit.
- 10.8 The surety warrants that the Information given is true and correct in every respect.
- 10.9 The surety hereby agrees to update its Information upon any changes thereto.
- 10.10 The surety will remain liable to Rectron for any amount payable to Rectron notwithstanding the sale of the Dealer's business to a third party, alternatively the surety is estopped from denying their liability notwithstanding the sale or alienation or transfer of the part or the whole of the Dealer's business and/or membership interest and/or shareholding.
- 10.11 The surety chooses its domicilium citandi et executandi ("domicilium") for the purpose of the giving of any notice, the payment of any sum, serving of any process and for any other purposes arising from this Agreement at its physical and email addresses as set out in the Dealer Application annexed hereto. The surety agrees that should any notice be received in terms of the NCA that such notice may be given by pre-paid registered post.
- 10.12 Both Rectron and the surety shall be entitled from time to time, by written notice to the other, to vary its domicilium to any other address which is not a post office box or poste restante.
- 10.13 Any notice given and any payment made by any Party to any other ("the addressee") shall be in writing and if:
- 10.13.1 delivered by hand during the normal business hours of the addressee at the addressee's chosen domicilium for the time being shall be presumed, until the contrary is proved by the addressee, to have been received by the addressee at the time of delivery;
- 10.13.2 posted by pre-paid registered post to the addressee at the addressee's chosen domicilium for the time being shall be presumed, until the contrary is proved by the addressee, to have been received by the address on the 4th (fourth) day after the date of posting;
- 10.13.3 transmitted by email to the addressee's email address shall be presumed, until the contrary is proved by the addressee, to have been received by the addressee on the 1st (first) business day after the date of transmission.
- 10.14 Any judgment, whether formal or informal, in Rectron's favour against the Dealer shall, notwithstanding that the surety has not been joined in the proceedings giving rise to the judgment, preclude the surety from being entitled to dispute the merits of the claim in respect of which the judgment has been granted, in proceedings against the surety.

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SIGNED ON THIS THE _____ DAY OF _____ 20 _____.

NAME: _____

FOR AND ON BEHALF OF THE DEALER
(AND AS SURETY)

WITNESSES

1. _____

FULL NAME: _____

IDENTITY NUMBER: _____

SIGNED ON THIS THE _____ DAY OF _____ 20 _____.

2. _____

FULL NAME: _____

IDENTITY NUMBER: _____

SIGNED ON THIS THE _____ DAY OF _____ 20 _____.

FOR RECTRON:

FULL NAME: _____