

## STANDARD TERMS AND CONDITIONS: DISTRIBUTION AND SALES AGREEMENT

### DEFINITIONS:

In this agreement, unless the context provides otherwise:

- (i) “the Supplier” is HEINEKEN Beverages South Africa (Pty) Ltd with registration number: 2003/026165/07;
- (ii) “the Customer”; and
- (iii) “the Products” are those goods sold, supplied, and distributed by the Supplier to the Customer from time to time.

## 1. HEINEKEN BEVERAGES SOUTH AFRICA (PTY) LTD CUSTOMER INTERACTION CENTRE (CIC)

### 1.1. Operating Hours

The HEINEKEN Beverages South Africa (Pty) Ltd team of consultants are available to all customers for order placement and queries. The CIC operating hours are:

Days	Opening	Closing
Monday to Friday	08H00	17H00

Operating hours are subject to change and will be communicated accordingly including public holiday business hours.

### 1.2. Order Channels

Orders can be placed via email, telephone, Electronic Data Interchange (EDI), Sales Representative’s and the Sip Selection online order platform. Customers need to have a Trading Account with HEINEKEN Beverages South Africa (Pty) Ltd to place orders via any of the available channels.

Sip Selection website: [www.thesipselection.com](http://www.thesipselection.com)

Download mobile version of the Sip Selection app from [Google Play](#) & [Apple App Store](#)

### 1.3. Contact Information

(i) **Primary Orders and Customer Care:**

Telephone number: 021 809 8100

Email address: [primary.delivery.za@heineken.com](mailto:primary.delivery.za@heineken.com)

(ii) **Secondary Orders and Customer Care:**

Telephone number: 021 809 8600 / 0860 448 377 – Toll Free

Email address: [cic.za@heineken.com](mailto:cic.za@heineken.com)

## 2. SERVICE OFFERINGS

HEINEKEN Beverages South Africa (Pty) Ltd offers a variety of services at its respective facilities. A further explanation of each service offering is given below.

### 2.1. Primary Delivery:

Primary Delivery is when a full truckload (interlink) of full pallets, is loaded and dispatched from a Primary Distribution Warehouse.

Primary Delivery full truckload configuration:

Pack Type	Pack	Type	Full Truck Load
Viceroy (Oval) 12x750ml	NRB	Spirits	32
Commando (Oval) 12x750ml	NRB	Spirits	32
12x 650ml	RB	Beer	28
12x 650ml	NRB	Beer	30
12x 660ml Crate	RB	RTD	32
12x 660ml/750ml Crate	RB	Beer	28
12x 500ml	CAN	Beer	28
6x2L Crates	RB	Wine	54 (2 high stacked)
4x5L Crates	RB	Wine	36
1.5L Crates	RB	Wine	64 (2 high stacked)
2x12 pack 330ml	NRB	Beer	30
24x330ml/440ml	NRB	Beer	32
24x440ml	CAN	Beer/RTD	32
24x250ml	CAN	RTD	31
Kegs 20L/30L	KEG	Beer	96 (3 high stacked)

Customers receiving a Primary Delivery is required to have an on-site forklift and have the infrastructure to accommodate an Interlink.

Moffett Mouny delivery service is offered to Gauteng qualifying customers.

Turnaround time for off-loading is 2 hours per drop location.

Primary Return is when crates, bottles, kegs pallets, divider boards, is collected from customer and returned to HEINEKEN Beverages for deposit/credit.

### 2.2. Secondary Delivery:

Secondary Delivery is when an order is loaded and dispatched from the nearest Secondary Distribution facility to a designated premises within South Africa. Order composition needs to be aligned to the minimum order value as per Point 4

### 2.3. Collect

Collect is when an order is placed in advance for collection from a Secondary Distribution facility. The Collect incentive is only applicable on the purchase of full cases. Order composition needs to be aligned to the minimum order value as per Point 4 below.

For collection at TradeXpress facilities, the Collect price is reflected at net value as the net value after the applicable discounts have been applied.

For collection at other Secondary Distribution facilities, the Collect and applicable settlement discounts, are reflected on the invoice.

### 2.4. Self-service

Self-service is when customers pick and load Products from a TradeXpress facility. The Self-service incentive is only applicable on the purchase of full cases. The Self-service price is reflected at net value, after the deduction of Self-service and immediate payment discounts.

## 3. DISTRIBUTION INCENTIVES

The table below is a summary of the incentives per case and exclusive of VAT:

HEINEKEN Beverage Portfolio	Primary Customer Delivery	Secondary Customer Collect	Trade Xpress Self-service
Large Packs: 4x5L, 4x4.5L, 6x3L, 4x3L, 8x2L, 6x2L, 6x1.5L, 12x1L, 12x750ml, 12x660ml, 12x650ml	R2.80	R1.95	R2.50
Convenient Packs (all others)	R2.15	R1.25	R1.70
KEGS 20L, 30L	R10.00	-	-

## 4. MINIMUM ORDER VALUE (MOV)

HEINEKEN Beverages South Africa (Pty) Ltd reserves the right, subject to prior notice to you, to revise our MOV at any time prior to the date of dispatch, in which event the revised MOV will apply.

- (i) A minimum order value of R2,000 excl. VAT is applicable via Distribution facilities
- (ii) The minimum order value applies to both Delivery & Collect orders
- (iii) The minimum order value does not apply to Self-service purchases at a TradeXpress

## 5. ORDER PLACEMENT CUT-OFF AND DELIVERY LEAD TIMES

### 5.1 Primary Delivery

Order placement cut-off times aligned to HEINEKEN Beverages South Africa (Pty) Ltd CIC operating hours as referenced in section 1.1. The table below provides an indication of the order to delivery lead times in days to customers in the geographies from the respective Primary Distribution Warehouses, for orders confirmed daily before 13h00. The lead times are stated as number of working days from date of confirmed order to delivery. HEINEKEN Beverages South Africa (Pty) Ltd will optimise the delivery routing of Orders.

Primary Distribution Warehouses				
Lead time: Confirmed Order date to delivery date				
Geography (Provinces)	Johannesburg	Cape Town	Gqeberha	East London
Gauteng	1	3	3	3
KwaZulu-Natal	2	3	3	3
North-West	2	3	3	3
Free State	2	3	3	3
Limpopo	2	3	3	3
Mpumalanga	2	3	3	3
Western Cape	3	1	2	2
Northern Cape	2	3	3	3
Eastern Cape (GQB)	3	2	1	2
Eastern Cape (ELN & MTH)	3	3	2	1

### 5.2 Secondary Delivery

Order placement needs to take place 2 working days in advance of the Nominated Delivery Day (NDD). Orders can be placed daily until 15h00, and delivery will be scheduled for the next applicable NDD. The table below reflects the relevant Order placement day vs applicable NDD:

NDD:	Order Placement Day:
Monday	Thursday < 15h00
Tuesday	Friday < 15h00
Wednesday	Monday < 15h00
Thursday	Tuesday < 15h00
Friday	Wednesday < 15h00

## 6. TRADING HOURS FOR DELIVERY OF LIQUOR

In terms of Regulation 21 of Liquor Amendment Regulations, HEINEKEN Beverages South Africa (Pty) Ltd and its nominated agents are only permitted to deliver and offload at customer outlets according to the following specified times:

Type	Delivery Days	Hours
Distribution	Monday – Saturday	06H00 – 18H00
	Sunday and Public Holidays	09H00 – 17H00

## 7. DELAYS AT OFFLOADING SITE

HEINEKEN Beverages South Africa (Pty) Ltd deliveries to customers are arranged in accordance with the “trading hours for the delivery of liquor” as mentioned above. It is expected that customers will endeavour to receive goods ordered timeously and avoid delays at receiving points. Delays greater than 2 hours will incur additional costs, and this will be discussed with relevant customers.

## 8. PARTIAL DELIVERY / SHORT DELIVERY

We will honour or deliver Products ordered subject to the availability thereof. We will not be liable for any loss or damage arising from non-delivery or late delivery whether in respect of the whole or part of the product. Should you receive a partial delivery, the balance of the order that has not been delivered has to be re-ordered via the HEINEKEN Beverages South Africa (Pty) Ltd CIC. The onus is on customer to ensure that this volume is re-ordered.

## 9. RETURNABLE PACKAGING MATERIAL (RPM)

9.1 HEINEKEN Beverages South Africa (Pty) Ltd retains ownership of its returnable items (crates, bottles, kegs, pallets, divider boards) and levies a deposit on the use thereof for HEINEKEN Beverages South Africa (Pty) Ltd Products. Deposits will be refundable on receipt of usable returnable items originally supplied by HEINEKEN Beverages South Africa (Pty) Ltd. HEINEKEN Beverages South Africa (Pty) Ltd is a company that is socially and environmentally responsible. We will always ensure that we protect our environment and our communities. We believe we can only achieve this by partnering together. Any bottles of imported Products and non-returnable bottles shall not qualify for any credit.

9.2 All returnable packaging material is charged at a deposit value and held on behalf of our customers and will be exempt from any form of early settlement discounts.

## 10. CHEP PALLETS

### 10.1 Primary & Mechanised Delivery

Should the customer hold a CHEP account, HEINEKEN Beverages South Africa (Pty) Ltd is to be notified to ensure a Transfer Hire Acceptance Agreement is in place, for transfer of pallets to the respective CHEP account. In the event the customer does not hold a CHEP account, HEINEKEN Beverages South Africa (Pty) Ltd levies a deposit on the use of the CHEP pallet when left at the customer’s premises. Deposits will be refundable on receipt of usable returnable items originally supplied by HEINEKEN Beverages South Africa (Pty) Ltd

Upon delivery, pallets will be transferred from the Depot CHEP account to the customer’s CHEP account:

- (i) Customers with a CHEP Account: Pallets are stated on the invoice at a zero charge.
- (ii) Customers without a CHEP Transfer Account: Pallets are stated on the invoice at a deposit value.
- (iii) Every Primary invoice will have a line item with the relevant pallet description and values. The HEINEKEN Beverages South Africa (Pty) Ltd invoice is a legally binding document and serves as a Proof of Delivery (POD) for pallets
- (iv) The customer and driver must both sign the HEINEKEN Beverages South Africa (Pty) Ltd invoice, and a signed copy is to be provided to the customer at the point of delivery
- (v) acceptance.

## 10.2 Secondary Delivery

- (i) CHEP Pallets will not be left behind at customer outlets.
- (ii) CHEP Pallets are not stated on the invoice.
- (iii) No deposit value is charged for the pallets.
- (iv) Customers are required to leave the pallets on the vehicle / exchange empty CHEP pallets for CHEP pallets with stock at the point of delivery.
- (v) In the event of a non-one-for-one exchange, the CHEP pallets can be returned through secondary for credit by requesting an Empties Upliftment, which HEINEKEN Beverages South Africa (Pty) Ltd should provide.

HEINEKEN Beverages South Africa (Pty) Ltd reserves the right to assign a Home Depot to each customer which will be the customer's main source of supply. HEINEKEN Beverages South Africa (Pty) Ltd reserves the right to update or deviate from this Home Depot when required.

## 11. EMPTY RETURNS TO BE RETURNED FOR DEPOSITS

A request for Empty Returns must be logged with the CIC or on-line platforms to ensure a "Collection Order" is created.

### Primary Delivery Customers:

Only a full interlink truckload returnable items will be uplifted following the off-loading of a Primary Delivery. Returnable items must be in a palletised form, suitable for loading and transportation. In the event of returnable items being loaded the turnaround time (including the offloading of a Direct Delivery) will be set at 3 hours.

## 12. DEPOSIT VALUES

Any bottles, crates, and pallets not fit for reuse, as determined by HEINEKEN Beverages South Africa (Pty) Ltd's exclusive discretion, shall not qualify for any credit.

CATEGORIES	RETURNABLE PACKAGING MATERIAL	DEPOSIT PER UNIT EXCL VAT
Crates	Beer & Cider: 12x650ml, 12x660ml & 12x750ml	R10.44
	Wine: 12x750ml, 12x1L, 6x1.5L, 6x2L, 8x2L, 6x3L, 4x4.5L & 4x5L	R12.17
Kegs	Cider	R313.04
	Beer 20L	R313.04
	Beer 30L	R313.04
Bottles	650ml RB	R1.74
	660ml RB	R1.74
	750ml RB	R1.74
	1.0lt RB	R1.74
	1.5lt RB	R1.93
	2.0lt RB	R1.93
	4.5lt RB	R3.33
Other	HEINEKEN Beverages South Africa (Pty) Ltd Pallets	R242.00
	Wooden CHEP Pallet	R275.00
	Divider Boards	R31.00

*HEINEKEN Beverages South Africa (Pty) Ltd reserves the right to change the deposit values at their discretion. Changes will be communicated within a reasonable timeframe.*

### **13. TRADE RETURNS**

Returns are only accepted in line with HEINEKEN Beverages South Africa (Pty) Ltd's Trade Returns Policy that can be obtained from your nearest depot or our sales personnel. HEINEKEN Beverages South Africa (Pty) Ltd does not accept trade returns as a result of overstock, or Products reaching the expiry date. Returns for damaged or leaking Bag-In-Box (BIB) will only be accepted if it is accompanied by the original packaging (box). HEINEKEN Beverages South Africa (Pty) Ltd's drivers may only uplift bottled Products if these Products are accompanied by HEINEKEN Beverages South Africa (Pty) Ltd's official "Returns Advice Note" (RAN). No RAN will be issued for breakages in customer warehouses or stores.

### **14. PROOF OF DELIVERY (POD)**

HEINEKEN Beverages South Africa (Pty) Ltd orders are delivered on a HEINEKEN Beverages South Africa (Pty) Ltd INVOICE, and therefore require for all INVOICES to be signed in full on receipt of the order. Our transport agents will accept additional customer documents that will serve as SUPPORTING documents for our delivery. Should the customer not provide the stamped and signed INVOICE once the offloading has been completed, the driver will request the document and not depart from the premises until this document has been provided. Customers are requested to inform all personnel in their receiving hubs to ensure that the HEINEKEN Beverages South Africa (Pty) Ltd INVOICE document is signed and stamped in full and handed to the transporter, allowing timeous dispatch of our transport agent. Please ensure the following are completed on the INVOICE:

- (i) Printed name and printed surname
- (ii) Signature and Date
- (iii) Returned items and quantities.

### **15. SIGNATURE OF ACCEPTANCE**

All sales are final other than for Products that are not included in the customer order. All orders are verified by the Warehouse and Distribution staff prior to leaving the depot. A signature of acceptance with no endorsement on the delivery invoice constitutes that the order is correct in terms of outer quality and quantity and therefore no discrepancies will be accepted thereafter. At the time of delivery, should there be any damaged or defective Products received, please ensure the product(s) is rejected and returned with the delivery vehicle.

### **16. CREDIT TERMS AND SETTLEMENT DISCOUNT**

There are 7 credit terms on offer, with a settlement discount on condition that payment is received on or by due date:

- (i) Upfront term – Payment when order is placed with 2,5% settlement discount.
- (ii) COD term – Payment within 2 days from Invoice with 2,5% settlement discount
- (iii) 7 days term – Payment within 7 days from Invoice with 2,0% settlement discount
- (iv) 7/14 Flexi term – Payment within 7 days from Invoice with 2,0% settlement discount; and final payment due within 14 days from invoice with 1.75% settlement discount
- (v) 15 days from statement – Payment by the 15th of the following month of purchases with 1,0% settlement discount
- (vi) 15 days from statement with COD option – Reserved for qualifying customers
- (vii) WEK term – Reserved for multiple delivery per week accounts where payment is on weekly statement

Conditions and disclosures:

- (i) Settlement discounts will apply on the VAT- inclusive invoice total (excluding deposit on returnable items and bottles), provided there is no outstanding balance on the customer's account.
- (ii) NO cash or card payments will be accepted on delivery.
- (iii) Should the due date for payment be on a weekend or public holiday, payments must be made on the preceding working day.
- (iv) Right of ownership of Products will remain with HEINEKEN Beverages South Africa (Pty) Ltd until payment has been made in full.

## **17. ILLEGAL TRADING**

**17.1** Notwithstanding anything to the contrary contained or implied elsewhere, should it come to our notice that you are in any way whatsoever involved in the procurement, marketing, or sale of stolen Products, or found guilty of the supply of liquor Products to persons under the age of 18 years, we shall be entitled in our sole and absolute discretion upon prior notice to you, too:

- (i) cease the supply of Products to you.
- (ii) publish the details of such cessation in the media, and/or
- (iii) notify other liquor manufacturers of such cessation, who may, in their sole and absolute discretion, cease the supply of liquor Products to you and to publish the details thereof in the media, in which event you will not have any claim whatsoever against us, arising from such cessation.

**17.2** You undertake to abide by all applicable laws including the Consumer Protection Act regarding the Products sold to you by HEINEKEN Beverages South Africa (Pty) Ltd. In particular, you will not sell expired Products to any person. You hereby indemnify us against any loss or claim by anyone arising from selling any expired Products, any of your acts or omissions, breach of these conditions, breach of contracts with your counterparties, breach of other persons' intellectual property, applicable laws and/or any of your illegal activities.

**17.3** Risk in relation to purchased Products shall pass to you upon purchase and delivery of such Products to you. We are not obliged and will not take back any stock/Products that expire after delivery to you unless we at our sole discretion otherwise decide to do so.

## **18. VARIATION OF ORDERS**

We are not obliged to accept or act upon any changes, modifications, or additions to original customer instructions if such changes, modifications, or alterations were given subsequent to the seller's acceptance of the customer's order. No variations of these terms and conditions or additions hereto shall be of any force or effect unless reduced to writing and signed by both the seller and the customer.

## **19. LIABILITY**

We shall not be liable to the customer for any damages including, but not limited to, consequential loss or loss of profits arising from the performance or non-performance by the seller of its obligations in terms of these terms and conditions. You further indemnify us against any claims that may be made against us by any third party for any damages including, but not limited to, consequential loss or loss of profits arising from the performance or non-performance by us.



## 20. GOVERNING LAW

These terms and conditions shall be governed by and interpreted in accordance with the laws of the Republic of South Africa.

## 21. ARBITRATION

Any dispute arising out of or in connection with a sale to which these terms and conditions relate shall be finally settled under the Commercial Rules of Arbitration of the Arbitration Foundation of Southern Africa by one or more arbitrator appointed in accordance with the said Rules, seating in Johannesburg, South Africa, provided that nothing contained herein shall prohibit a party from approaching any court of competent jurisdiction for urgent interim relief pending determination of the dispute by arbitration.

## 22. GENERAL

- 22.1** Unless otherwise agreed to in writing with HEINEKEN Beverages South Africa (Pty) Ltd, Products may not be sold to customers outside the Republic of South Africa, or to any person for ultimate resale to customers outside the Republic of South African
- 22.2** HEINEKEN Beverages South Africa (Pty) Ltd will only trade with registered persons and valid liquor license holders. Proof of license renewals should be made available to HEINEKEN Beverages South Africa (Pty) Ltd as soon as this has been received by the customer.
- 22.3** All transactions are subject to terms and conditions of HEINEKEN Beverages South Africa (Pty) Ltd, as amended from time to time.
- 22.4** Not all Products, packs, or product quantities are available for sale at or from all depots. For details of availability contact your local depot or salesperson.
- 22.5** Should Products supplied be damaged by fire or otherwise, making them unsuitable for resale in the retail trade, the customer undertakes to immediately inform HEINEKEN Beverages South Africa (Pty) Ltd of such damage. The customer agrees that HEINEKEN Beverages South Africa (Pty) Ltd shall have the right either to replace or to repurchase such damaged stock at a price agreed upon, which shall not exceed its wholesale selling price. The customer and/or their insurers shall not have the right otherwise to sell or dispose of the damaged stock.
- 22.6** a) In accordance with HEINEKEN Beverages South Africa (Pty) Ltd's commitment to sustainable and ethical business practices, you warrant and agree that if performing any services to or on behalf of HEINEKEN Beverages South Africa (Pty) Ltd, you shall not:
18. offer, promise, or give any improper financial payment and/or other improper advantages to any person, customer, or supplier, or
  19. make or offer, directly or indirectly, any payment, gift, or other advantages to a public official or any other person with the intention of influencing them and obtaining or retaining an advantage in the conduct of business.
- b) If HEINEKEN Beverages South Africa (Pty) Ltd suspects that you have breached any of the warranties and/or representations in clause (a) then HEINEKEN Beverages South Africa (Pty) Ltd shall be entitled, without prejudice to any other rights that HEINEKEN Beverages South Africa (Pty) Ltd may have, to cease the supply of liquor Products to you until HEINEKEN Beverages South Africa (Pty) Ltd:
20. has satisfied itself that there has been no such breach; or

21. has satisfied itself that any such breach has been remedied and that it is satisfied that measures have been put in place to ensure that such breach (or any similar breach) is unlikely to recur.