

## Appendix B

The photographs below illustrate examples of pallets in an acceptable condition for collection and those that are irreparable and not eligible for a refund:

This is only a guideline, situations requiring detailed investigation will be dealt with on a case by case basis.



No damage (New Spec)



To be repaired (New Spec)



Irreparable (New Spec)



No damage (New Spec)



No damage (Old Spec)



To be repaired (Old Spec)

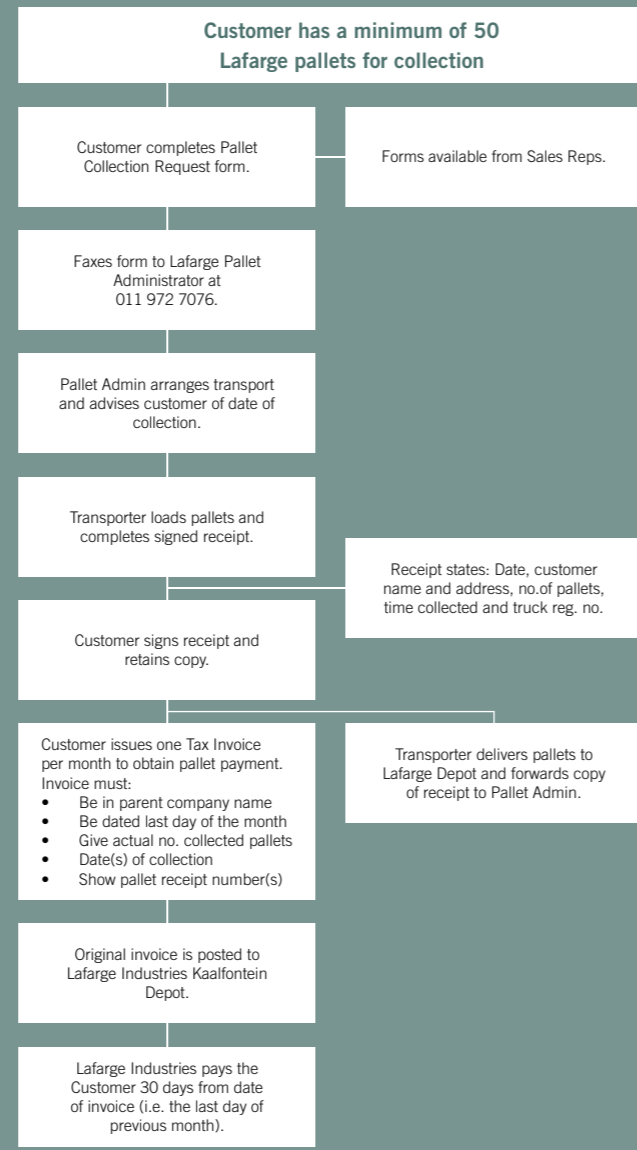


Irreparable (Old Spec)



No damage (Old Spec)

## New Pallet Collection Procedure 2008



# New Pallet Procedure

The Lafarge Cement pallet system for 2008



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# New Pallet Procedure

## The Lafarge Cement pallet system for 2008

For some time now, Lafarge Cement has been concerned about the logistical handling and cumbersome administration associated with palletised loads. Addressing these pallet issues, we introduced the policy of supplying all bagged cement on pallets in 2006.

Continuing our endeavours to address the needs of our customers, we have now followed this up with a streamlined administration system. In essence, from 1 January 2007, we have:

- delivered all bagged cement on pallets and included the cost of the pallets in the cement price.\*
- bought the pallets back from our customers.
- Pallets remained the property and responsibility of the customer until they were sold back to Lafarge Industries.
- all invoices were paid in full. (I.e customer included payment of pallets in payment of the product purchased)

## Details of the new procedure are:

### Arranging collection

- Customers complete a **Pallet Collection Request** form which may be obtained from your Lafarge Sales Representative.
- The form is faxed to our Pallet Administrator: **011 972 7076** or **011 972 6098** or emailed to: **pallets.kfx@lafarge.com**
- The Pallet Administrator arranges for the transporter to make the collection within 9 days in Gauteng and within 16 days in all other regions.
- The Pallet Administrator informs customer of collection date.
- No driver or customer will be allowed to load pallets on a vehicle if the request for collection was not forwarded to the Pallet Administrator.

### Handing over pallets

- Before the pallets are loaded on the vehicle, the customer must ensure

that the driver has a **Lafarge Pallet Collection Receipt Book** with him.

- The truck driver is only authorised to collect pallets that are marked as Lafarge Property and are in a sound, repairable condition. (Refer to Appendix B for guidelines on pallet condition.)
- After loading the pallets, the truck driver completes a standardised receipt, detailing:
  - Date
  - Customer name and address
  - Number of pallets collected
  - Time collected
  - Truck registration number
- The driver prints his name and signs the receipt. The customer does the same and retains a copy of the receipt.
- The transporter delivers the pallets to a Lafarge Cement depot.
- The transporter forwards copies of all receipts to the Pallet Administrator.

### Claiming payment for pallets sold back to Lafarge

In order to pay you for the pallets returned to Lafarge Industries, we must receive an invoice from you the customer. Please help us to pay you promptly on due date by ensuring that invoices comply with the requirements of our payment system. (The details of these requirements are set out in Appendix A).

- Invoices must be issued in the name of the parent customer as registered with Lafarge (referred to as 'CN' in our system) and not in the name of the delivery address (CD).
- This is your company's correct registered name that appears on Lafarge's invoices and statements to you.
- Customers are asked to produce **one tax invoice per month, dated the last day of the month and listing:**
  - Actual number of pallets collected on each occasion together with the pallet receipt no.
  - Date(s) of collection(s).
  - Total value based on the agreed repurchase price of R90 excluding VAT per pallet.
- An original invoice must be posted to Lafarge Industries (refer to Appendix A for details).
- Where practical and if possible, customers' invoices are to be accompanied by copies of the Lafarge Pallet Collection Receipts. This facilitates expedient reconciliation and payment.
- **We will pay pallet invoices that are correct, within 30 days from the invoice date.**
- Ideally all stores to be paid by way of EFT. Please ask your local representative for these forms (upon which your bank details must be reflected).

*Your feedback on the new pallet procedure will be appreciated. Please give your comments to your local Lafarge Sales Representative.*

### \* Please note:

1. Pallet purchases cannot be offset against a customer's cement purchases.
2. The minimum collection quantity is 50 pallets.
3. In the case of manual off-loading of loads of less than 400 bags, the pallets return with the delivery truck (Gauteng area only), in these cases the price of your cement does not include the cost of the pallet.



## Appendix A

### Requirements for invoicing Lafarge Industries South Africa (Pty) Ltd to ensure no delays in payment:

- Customers must ensure that a supplier or vendor account is set up with Lafarge with the correct company details eg, company name, address, VAT number, telephone and fax numbers, etc.
- Invoices must be made out to **Lafarge Industries South Africa (Pty) Ltd**.
- An original invoice must be posted to: **Lafarge Industries South Africa (Pty) Ltd P O Box 15008, Kaalfontein Depot Esselenpark, 1626.**
- Marked: **'Pallets - For attention: Caroline Kramm'**
- EFT banking details which includes a copy of a cancelled invoice has to be forwarded to Accounts Payable, failing this, a cheque will have to be collected from our Woodmead Offices.
- SARS approved invoices and credit notes can be e-mailed to **pallets.kfx@lafarge.com** (NB Only SARS approved documentation, no scanned documentation).
- SARS demands that every original tax invoice (and credit notes) must show **Lafarge Industries' VAT registration number (4910231440)**.
- All invoices must show the pallet collection receipt numbers.
- Invoices that do not comply, will not be processed for payment and will be returned to customers to rectify and re-issue.