



Dear Supplier,

Important Supplier Information

This document has been sent to confirm that your organisation is a registered vendor on HCI Coal's procurement system as a supplier of goods or services. Recently we have enhanced our procurement and payment process which includes a streamlined process for payment of invoices (within terms of trade) and reduces processing costs for HCI Coal.

You are encouraged to take note of our procurement and payment policy which will come into effect from the 1st of July 2019. Kindly communicate this message to the relevant staff of your organisation who are responsible for accounts and invoice submission.

HCI Coal follows a '**No Purchase Order(PO), No Pay**' policy which means that without a valid PO issued by HCI Coal, payment of supplier invoices will be delayed.

A PO will be e-mailed from the Procurement department (procurement@hcicoal.co.za) and should be provided before the goods and / or services are received. All suppliers of goods and / or services to HCI Coal should never accept a verbal order. PO's will only be generated by our system once authorised by the appropriate HCI Coal staff.

If the goods and / or services have already been provided to HCI Coal, and you have not received a PO you must contact the staff member of HCI Coal who gave the original instruction to supply the goods / services and ask them to provide a valid PO.

Once a supplier has received their PO, they must quote the official PO number on their invoice. All invoices and a month end statement must be e-mailed to accounts@hcicoal.co.za for payment. Any invoice received without a valid PO will be returned to the supplier with a request to re-issue the invoice quoting the PO number. If a monthly statement is not received, this will prolong our monthly payment reconciliation process. Both of the above instances will lead to a delay in the payment to your organisation

All valid PO numbers for HCI Coal are in the format PO-H * * * * * where ' * ' is a number. For example PO-H123456.

PO's will only be emailed to the email address provided in your supplier details. PO numbers can also be confirmed over the phone, but for your own records you should ask for a copy of the PO.

Should you receive a PO and it does not seem to be correct, then immediately send an e-mail to procurement@hcicoal.co.za who sent the PO initially and ask for clarification. If necessary the original PO can be cancelled and a replacement PO will be issued.

There may be instances when an urgent order is needed and it may not be possible to create a PO number before the goods and / or services are received by HCI Coal. In this case, a requisition number will only be e-mailed to you which will clearly state on it "**BREAKDOWN ORDER**" so that you may process the order. This method is for emergencies only, and a valid PO number will follow thereafter.

Directors: John A Copelyn, Makhosazana Y Sibisi, Russell K Jackson, Edward G Scholtz, Jabu G Ngcobo, Velaphi E Mphande

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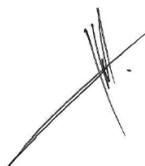
Unless previously agreed with the procurement department of HCI Coal, our payment terms are strictly 30 days from statement date. This means that your month end customer statement and related invoices must be emailed to accounts@hcicoal.co.za within 2 days of the end of the calendar month concerned.

Should your payment appear to be delayed, your invoice may be disputed for the following reasons, and will always be sent back to the supplier address they were received from with an email stating why they have been disputed :

- No Purchase Order number quoted on the invoice
- Purchase Order number quoted is now finished/closed.
- Purchase Order number does not match with valid Purchase Order of HCI Coal
- Purchase Order number does not match the description/dates on the invoice
- Multiple Purchase Order numbers are quoted on one invoice. Please send individual invoices for each Purchase Order number
- Multiple invoices in one PDF document. Please e-mail one invoice per PDF file which must be readable
- No invoice number quoted
- Incorrect or incomplete billing details on the invoice i.e Company Name / Company address /Company registration number /VAT Registration Number
- Invoice has no breakdown of the gross and net invoice values (Vat amount must be disclosed separately)
- Statements and invoices emailed to accounts@hcicoal.co.za after 2 days of the end of the calendar month concerned.

This is meant for your record and perusal. We look forward to your continuous support and co-operation. If you have any questions, please email to procurement@hcicoal.co.za with your query and a staff member of the Purchasing team will get back to you.

Yours Sincerely



Aadil Nakooda
Chief Financial Officer