



To Customers of Haggie Steel Wire Rope

Dear Sir/Madam

CORPORATISATION OF THE HAGGIE STEEL WIRE ROPE DIVISION OF THE SCAW METALS GROUP

1. Introduction

Haggie Steel Wire Rope, located in Jupiter, Johannesburg, Gauteng is currently a division that forms part of the total business of Scaw South Africa (Pty) Ltd ("**Scaw**"). Scaw intends moving this business as a going concern into a separate legal entity which will be 100% owned by Scaw. The business address, contact details, employees and their respective contact details all remain unchanged, however there will be a change in the ERP system from SAP to SYSPRO.

2. Program of corporatisation

The intention is to commence with the corporatisation of this business on 1 June 2022.

The new entity will be **Haggie Steel Wire Rope (Pty) Ltd** (Registration number: 2021/845504/07) ("**SWR**").

3. What this means to customers

- a. From the date above, the new entity will be transacting directly with you.
- b. Your customer profile in the SAP ERP System will be migrated to the SYSPRO system.
- c. Bank accounts in the name of the new company will be opened. Details will follow in due course.
- d. From a Governance perspective, it is strongly recommended to follow your own internal prescribed change of banking verification process to verify the updated banking details provided.
- e. Neither Scaw nor SWR can take any responsibility in the event where payment is made into an account other than as stipulated on the Invoice. In the event that a payment is made into an account other than as stipulated on our Invoice, the customer will still remain liable for the outstanding amount owing.
- f. Invoices relating to orders raised prior to 1 June 2022 will reflect the **Current** banking details. We request all payments linked to these Invoices to be made to the account reflected in that Invoice, and **NOT** into the new Bank Account.

- g. All Invoices relating to orders raised after 1 June 2022 will reflect the **New** banking details. We request all payments linked to these Invoices to be made to new account, and **NOT** into the current Bank Account.
 - h. The new entity will be approaching you to cede and assign the existing contracts/agreements between you and Scaw to SWR.
 - i. The new entity will also have its own VAT registration number, which will be provided in due course.
 - j. Scaw assures you that this corporatisation will not affect the standard of service and supply of high quality products to you as our valued customers; rather it is intended to improve the supply of high quality products and services by having more focused and accountable management for the new entity.
4. Conclusion

Scaw believes this corporatisation is in the best interest of the Haggie Steel Wire Rope business and will continue to ensure that it is managed to be sustainable in the long term. Scaw requests customers to support this initiative and thanks you in advance for your support.

If you have any queries in this regard, please contact the relevant Sales Representative who has been interacting with you in the past.

Yours faithfully



Shaw Manyema

Acting Chief Financial Officer