

ETS DISTRIBUTORS (PTY) LTD

EXPORT PRICING POLICY FOR NAMIBIAN CUSTOMERS

This Export Pricing Policy explains the pricing principles applied to goods exported from South Africa to customers in Namibia. Export transactions involve additional costs, risks, compliance obligations and operational requirements that do not apply to domestic South African sales. Accordingly, export pricing may differ from South African local pricing, promotional pricing, project pricing or distributor pricing.

Purpose

To provide transparency regarding export pricing and explain why Namibian customers cannot automatically receive the same pricing offered within South Africa.

Export Pricing Principle

All quotations for Namibian customers are calculated as export transactions and are priced independently from South African domestic sales.

EXPORT PRICING MAY EXCEED SOUTH AFRICAN DOMESTIC PRICING

Export Administration Costs

Export transactions require additional documentation, customs paperwork, compliance administration, order processing, export invoicing, record keeping and shipment coordination.

Border Clearing and Forwarding Charges

Cross-border shipments may incur customs clearing, forwarding, inspection, border processing, documentation and related administrative costs.

Freight and Logistics Costs

Export deliveries typically involve additional packaging, handling, transport coordination, freight management, shipment tracking and delivery administration.

Currency and Exchange Rate Risk

Export pricing may include provision for exchange rate fluctuations, supplier price adjustments, banking costs and currency-related risks.

Banking and Payment Costs

Cross-border transactions may involve additional banking fees, payment verification costs, compliance requirements and international transaction charges.

Inventory, Warehousing and Stock Holding Costs

Export operations often require separate inventory planning, warehousing, procurement management and stock allocation to ensure product availability for foreign customers. Cross-Border Warranty and Support Costs

Warranty administration, technical support, product returns, replacement logistics and after-sales support generally cost more when customers are located outside South Africa.

Compliance and Regulatory Requirements

Exported products may require additional certificates, declarations, customs compliance procedures and adherence to import requirements.

Different Distributor and Manufacturer Pricing Structures

Manufacturers may apply different pricing structures, rebate programs, incentives, support arrangements or sales conditions for export markets compared to domestic South African sales.

Lower Market Volumes

The Namibian market is generally smaller than the South African market. Lower sales volumes can reduce economies of scale and increase the cost of servicing export customers.

Credit and Commercial Risk

Export transactions may expose the seller to additional commercial, payment recovery and credit risks that must be considered when determining pricing.

South African Promotional and Special Pricing

Promotional offers, clearance sales, project pricing, special tenders, regional incentives and local marketing campaigns available within South Africa may not be applicable to export transactions.

VAT and Export Transactions

Although qualifying exports may be treated differently for VAT purposes under applicable legislation, the absence of South African VAT does not eliminate the substantial costs associated with exporting goods to Namibia. Taking into consideration Zero Rated VAT transactions, where the seller has to bridge finance VAT paid to the manufacturer, until such time as the seller's VAT paid can be claimed back successfully from the local tax authorities.

Market Separation

Namibia is served as a separate export market and is not part of the South African domestic distribution structure. Export pricing therefore cannot be directly compared with South African local pricing.

Customer Acknowledgement

By accepting a quotation, placing an order or making payment, the customer acknowledges that export pricing is determined independently of South African domestic pricing and reflects the additional costs, risks and obligations associated with international trade.

Reservation of Rights

The company reserves the right to amend this policy and adjust export pricing structures without prior notice, subject to applicable law and any existing contractual obligations.

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