

STANDARD TERMS AND CONDITIONS OF SALE – PRODUCTS AND SERVICES

1. INTERPRETATION

- 1.1 The headings to the clauses are for reference purposes only and shall not be used in the interpretation thereof.
- 1.2 Unless otherwise indicated, words to which a meaning is ascribed in the body of this agreement shall bear that meaning wherever such words appear thereafter.
- 1.3 The laws of the Republic of South Africa shall apply.
- 1.4 Unless the context otherwise requires the singular shall import and include the plural and vice versa.

2. DEFINITIONS

In these Terms and Conditions of Sale, unless inconsistent with or otherwise indicated by context, "seller" means ANA-DIGI SYSTEMS (PTY) LTD, Registration Number, 2011/106732/07, of Unit 8, Canal Edge 2, Tyger-Waterfront, Bellville, Cape Town; "buyer" means the person, firm, company or corporation by whom the order is given; "equipment" means the goods specified in the quote or order; "quote" is synonymous to quotation or tender and means a formal statement of promise (offer to purchase) by the seller to supply the goods or services required by the buyer at specified prices and within a specified period; "price" means the amount specified by the seller in the quotation; "order" is synonymous to contract and means the acceptance of a quote by the buyer and constitutes an agreement binding on both parties; "specifications" means the documents produced by the manufacturer of the equipment; "site" means the place identified in the contract where the product/system is to be installed; "system" means the combination of equipment, software and configuration required by the contract; "agreement" means these standard terms and conditions of sale, the order, the quotation and any other schedule referred to on the quotation.

3. CONTRACT

- 3.1 All orders must be in writing and are accepted subject to these Terms and Conditions of Sale.
- 3.2 No terms or conditions put forward by the buyer and no representations, warranties, guarantees or other statements not contained in the seller's quotation or acknowledgement of order nor otherwise expressly agreed in writing by the seller shall be binding on the seller.
- 3.3 The contract shall become effective upon the date of receipt of the deposit by the seller unless otherwise agreed to in writing.
- 3.4 No alternations or variations to the contract shall apply unless agreed to in writing by both parties (the buyer and the seller).

4. VALIDITY OF QUOTATION AND PRICE

- 4.1 The validity of the seller's quotation is open for acceptance within the period stated therein or when no period is stated within 30 days after its date.
- 4.2 Prices are firm for delivery within the period stated in the seller's quotation and are exclusive of Value Added Tax.
- 4.3 The prices for goods sold outside of the borders of South Africa are exclusive of other taxes, insurance duties, levies or other like charges.
- 4.4 Prices are for goods delivered to the sellers shipping point and are exclusive of freight, insurance and handling and packing to the buyer's site, unless otherwise stated in the seller's quotation.

5. DELIVERY AND PACKAGING

- 5.1 The seller shall endeavour to honour all delivery dates estimated and such dates are indicated in good faith. Late deliveries, however caused, shall not give rise to any claim for damages or consequential loss from any cause whatsoever.
- 5.2 Unless specified in the contract, the seller shall pack the system in accordance with the seller's standards. Any packing materials are non-returnable.
- 5.3 Risk in the equipment shall pass from the seller to the buyer upon the date when the equipment is shipped Freight on Board and delivery means the passing of possession to the buyer.

6. PAYMENT AND OWNERSHIP

- 6.1 Payments shall be in the South African Rand and shall be effected within 30 days from date of statement.
- 6.2 Unless otherwise agreed to in writing, the buyer shall pay a 40% deposit on order award.
- 6.3 Goods will be invoiced at any time after their readiness for delivery has been notified to the buyer and services will be invoiced monthly in arrears or if earlier upon completion.
- 6.4 All invoices are nett and are subject to a 2.5% settlement discount for early payment.
- 6.5 The seller shall have the right to suspend the buyers account or any deliveries if any amount due by the buyer is unpaid and to report such buyer as non-creditworthy.
- 6.6 The seller shall have the right to charge interest on all overdue accounts. Interest on overdue accounts shall be charged at a rate that is 2% above the seller's prevailing bank overdraft rate. Interest accrues from day to day, from the day the relevant invoice becomes due and payable up to and including the day the relevant invoice is paid in full. Any amount of interest, together with the outstanding purchase price is payable by the buyer on demand and further, the buyer expressly undertakes to pay all such interest.
- 6.7 Payments shall not be withheld on account of minor defects or omissions which do not affect the functionality or use of the system. Payment shall be made in full without set-off, counterclaim or withholding of any kind.
- 6.8 Payments shall be made in cash to the seller before the equipment is shipped unless the buyer has a credit facility with the seller, in which event payment shall be in accordance with the credit agreement.
- 6.9 Ownership of the equipment shall not pass on to the buyer until the full purchase price has been paid.
- 6.10 The buyer undertakes to keep the equipment in good condition and in a state of good repair (fair wear and tear excepted) and not to encumber or dispose of the equipment or permit the equipment to be encumbered or attached by operation of law, nor to remove the equipment or permit the removal thereof from the location, until the entire purchase price has been paid.

7. CANCELLATION

- 7.1 In the event of cancellation of a contract, the terms and charges payable by the buyer shall be:
- 7.1.1 10% of the contract value, prior to commencement of any contractual services, procurement or manufacture.
- 7.1.2 The cost of manufacture, services and expenses incurred at the time of cancellation plus an administration charge of 10%.
- 7.1.3 The cost of all material bought for the contract or the costs to credit the goods as required by the OEM plus an administration charge of 10%.

8. FORCE MAJEURE

- 8.1 The contract shall be suspended or delayed without liability in the event and to the extent that its performance is prevented or delayed due to any circumstance beyond the reasonable control of the party affected including but not limited to war, armed conflict, terrorist attack, riot, fire, explosion, accident, flood, sabotage, governmental decisions, strike, lockout, injunction or actions including but not limited to prohibition of exports or re-exports or the failure to grant or the revocation of applicable export licenses. If for any reason such events would prohibit the seller from fulfilling the contract or would be in reasonable judgement of the seller otherwise expose the seller to a risk of liability under applicable laws, regulations,

orders or requirements, the seller shall be relieved without liability of all obligations under the contract.

- 8.2 If either party is delayed or prevented from performance of its obligations by any reason of this clause for more than 180 consecutive calendar days, either party may terminate the then unperformed portion of the contract by notice in writing given to the other party, without liability and the buyer shall be obliged to pay the costs and expenses for all goods delivered and all services performed as at the time of termination.

9. WARRANTIES AND GUARANTEES

- 9.1 The seller warrants subject to the provisions of the contract, good title to and the unencumbered use of the goods, that the goods provided for in the contract conform with the published specifications at the time of shipment and are free of defects in material and workmanship and that the services provided by the seller will be performed in accordance with good engineering practice.
- 9.2 The seller will at the seller's option repair or replace by the supply of replacement parts any defects which under proper use, care and maintenance which are reported to the seller within 12 calendar months after their delivery (the "warranty period") and which arise solely from faulty materials or workmanship provided always that the defective items are returned to the seller at the buyers cost, carriage and insurance within the warrant period. Replaced items shall become the property of the seller. Repaired or replacement items will be delivered to the buyer's site at the seller's expense. This clause does not apply to software.
- 9.3 Goods or services repaired or replaced shall be subject to the foregoing warranty for the unexpired portion of the warranty period or for ninety consecutive calendar days which ever expires later.
- 9.4 If the configuration of the system is altered in any way by the buyer's or its representative's, agents or servants after the system is in use the warranty of workmanship is void.
- 9.5 Notwithstanding clauses 9.1 and 9.2, the seller shall not be liable for: any defects caused by reasonable wear and tear; materials or workmanship made, furnished or specified by the buyer; non-compliance with the seller's storage, installation, operation or environment requirements; lack of proper maintenance; any modification or repair not previously authorised by the seller in writing; nor for the use of non-authorised software or spare or replacement parts. The seller's costs incurred in investigating and rectifying such defects shall be paid by the buyer on demand.
- 9.6 The buyer shall at all times remain solely responsible for the adequacy and accuracy of all information supplied.
- 9.7 The seller shall not be liable to attain any specific availability or performance levels unless it is guaranteed in writing and such guarantee is subject to a limitation of its liability in respect of agreed tolerances.

10. LOAN ITEMS

Loan items will be fully invoiced at the time of shipment and a credit will only be passed when the goods returned at the buyer's expense and are in as new condition.

11. SITE WORK

- 11.1 To enable sellers obligations under the contract in respect to site work the buyer will provide facilities set out in the contract at no cost to the seller; if no facilities is stated in the contract the buyer shall at no cost to the seller provide all facilities and assistance required by the seller which may include but not be limited to the following: suitable access to site, satisfactory environmental conditions, adequate lighting, heating or cooling, scaffolding, lifting equipment, adequate electrical power and grounding; security, protection, suitable sanitation facilities, drinking water and other necessary facilities and assistance.

12. AFTER SALES SUPPORT

- 12.1 The seller shall provide the buyer with reasonable after sales support within the warranty period. Such support shall be charged at the usual charge out rates and shall be done on a per quote basis.
- 12.2 After the warranty period has expired the seller offers continued after sales support throughout the product life cycle through a separate agreement between the seller and the buyer.
- 12.3 The seller shall provide the buyer with reasonable after hours technical support. Such support may be charged at the usual charge out rates and shall be done on a per quote basis.

13. TRAINING

- 13.1 The seller shall provide the buyer with product training. Such training shall be charged at the usual training rates and shall be done on a per quote basis.
- 13.2 Should any trainee not attend the training the full price of the training shall be invoiced.
- 13.3 Should training be offered free of charge and any trainee not attend the training, the full price of the training is chargeable.

14. LIMITATION OF LIABILITY

- 14.1 The buyer acknowledges that the seller provides the equipment in the conditions that it has received from the manufacturer. The buyer accordingly agrees that it shall not be entitled to hold the seller liable for any contingent losses or damages that the buyer and/or its customers may suffer as a consequence of its use of the equipment.
- 14.2 The buyer accordingly waives any claim which it may have against the seller arising out of any loss or damage which the buyer and/or its customers may suffer or any expense that the buyer and/or its customers may incur as a result of the malfunctioning of the equipment save for any claim in respect of the fulfilment of any of the guarantees.
- 14.3 Without limiting the scope of 15.1 and 15.2 the seller's liability, if any, shall at all times be limited to the total value of the equipment provided for in the contract.

15. DEFAULT AND INSOLVENCY

The seller shall be entitled to recover from the buyer or the buyer's representative all costs and damaged incurred by the seller as a result of default or insolvency, including a reasonable allowance for overheads and profit (including but not limited to the loss of prospective profits and overheads).

16. MISCELLANEOUS

- 16.1 If any clause, sub-clause or provisions of the contract is invalid under any statute or rule of law, such provision to that extent only shall be deemed to be omitted without affecting the validity of the remaining contract.
- 16.2 The buyer shall not be entitled to assign its rights or obligations without prior written consent of the seller.
- 16.3 The seller enters into the contract as principal. The buyer agrees to look only to the seller for due performance on the contract.
- 16.4 These terms and conditions supersede all other communications, negotiations and prior oral or written statements regarding the subject matter for these terms and conditions prior to the contract award.
- 16.5 No modification or additional terms or other documents containing terms at variance with or in addition to these terms set forth herein shall be binding unless hereafter made in writing and signed by the party to be bound.
- 16.6 No waiver on the part of either party of any rights arising from a breach of any provision of this agreement will constitute a waiver of rights in respect of any subsequent breach of the same or any other provision.
- 16.7 The parties choose their physical addresses at the time of order placement as their domicilia citandi et executandi for all the purposes under this agreement, whether in respect of the payment of money, the service of delivery of court process, notices of other documents or all other communications.