



TERMS AND CONDITIONS OF SALE

(March 2022)

SAVE TO THE EXTENT THAT WE HAVE OTHERWISE AGREED IN WRITING, THESE TERMS AND CONDITIONS GOVERN ALL OUR CONTRACTS TO THE EXCLUSION OF OTHER TERMS AND CONDITIONS. OUR QUOTATIONS AND ESTIMATES ARE NOT OFFERS CAPABLE OF ACCEPTANCE BY YOU, AND ANY ORDER PLACED BY YOU WILL ONLY BE ACCEPTED BY OUR WRITTEN CONFIRMATION OF SUCH ORDER.

1. BASIS OF CONTRACT

- (a) **Fuel-Flex (Pty) Ltd**, Registered Office: **16 Borax Street, Alrode Ext. 7, Alberton, 1451**, the “Company”) – designs, manufactures, markets, distributes and installs **equipment and spare parts for tanker loading facilities and road tankers and provides ancillary goods and services** (“the Products”).
- (b) No representation, undertaking or promise shall be taken to have been given or implied from anything said or written in negotiations between the parties prior to the date of this Contract except as expressly stated in this Contract. The Customer’s only remedies shall be for breach of contract as provided for in these terms.
- (c) This Contract shall be construed in accordance with South African Law and subject to the exclusive jurisdiction of the South African Courts.

2. TIMING OF DELIVERY AND COMMISSIONING

- (a) In the event of delay beyond any date agreed for the Company’s performance of its obligations under this Contract that is caused by circumstances beyond either party’s control and/or otherwise than as provided for in sub-clause (c) below, the Company will be entitled to a reasonable extension of time. In the event of any such delay that is caused by the Customer, the Company will be entitled to a reasonable extension of time and to compensation for any costs, expenses and losses it suffers by reason thereof.
- (b) While dates or periods for readiness for dispatch or delivery of goods are given in good faith the same are not of the essence of or in any way terms of the contract or representations of fact.
- (c) In the event that the Company has agreed to liquidated damages in specific circumstances to delay, then these will apply to the exclusion of any other liability for delay and in all other cases the Company shall not be liable for any delay save where delay is directly attributable to default of the Company in which event the Company will compensate the Customer for any direct losses the Customer suffers as a direct result of such delay, compensation being limited to half a percent of the contract price of the Products for every week of delay subject to a maximum of 5% of such contract price.

3. ENGINEERING CRITERIA

The Products are sophisticated engineering products; accordingly, the Customer undertakes:-

- (a) That it has provided and will promptly provide all the information reasonably necessary to enable the Company to:-
- i. evaluate the requirements for performing and
 - ii. perform the Contract, and that all such information is full and accurate;
- (b) That all premises, plant, engineering support, spare parts, connected pipe work and machinery and inputs that it is required to provide for the design, engineering, installation, testing and use of the Products are fit for their purpose and of good engineering quality;
- (c) Fully to co-operate with the Company in the design, engineering, installation, testing and use of the Products;
- (d) To use the Products for the intended purpose only and in accordance with the Product literature;
- (e) Not under any circumstances, to use any unapproved spare part, connected machinery, service or repair or use the Products in any manner as may render the Products dangerous and agrees that any breach of these negative criteria will negate all specific and implied conditions and obligations on the part of the Company relating to the quality of the Products. The Customer further agrees that it will be liable to the Company for any costs, expenses and losses it suffers by reason of any breach of these undertakings.



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4. DRAWINGS, DESIGNS AND CONFIDENTIALITY

(a) All of the Company's specifications, designs, drawings, indications of physical, chemical and electronic properties and indications of pressure output and power consumptions ("the Designs") are made in good faith and are approximate indications only and are not binding in detail unless the Customer has specified in writing a particular indication upon which he is relying and the Company shall be entitled to vary the same and/or to correct errors and omissions provided the Products remain in substantial conformity with the contractual requirements.

(b) The Designs (including all copyright, design right and other intellectual property in them) shall as between the parties be the property of the Company; and the Customer is not entitled to make any use of the Designs other than for the purpose of this Contract.

(c) Any inventions, modifications, improvements, techniques, or knowhow affecting the Products made or gained in the course of performing this Contract, shall belong to the Company absolutely.

(d) Neither party shall disclose to third parties or use for its own purposes any confidential information or trade secrets of the other party. Each party warrants that it has the necessary intellectual property rights to enable it to perform its contractual obligations and will forthwith inform the other on discovery of any infringement of intellectual property rights.

5. PRICES, TERM AND VESTING

(a) All invoices shall be paid in South African Rand, US Dollar, Pounds Sterling, Euro or other Freely Convertible Currency within 30 days from the date of invoice (the "Due Date") unless expressly agreed otherwise, without any deduction or withholding on account of any rights of equitable set-off which the Customer may have (save where the same are based on fraud). The Company reserves the right to require payment in part or in full or the provision of such security or guarantees from or on behalf of the Customer as the Company deems necessary before the commencement of the performance of the Contract. The Company shall have the right at any time to review the credit limit requirements relating to the Customer and to increase or reduce the same by notice in writing to the Customer. The Company shall without prejudice to its other rights have the right by notice in writing to the Customer to demand immediate payment of all monies due from the Customer to the Company for any goods delivered at any time. As used in this clause, "Freely Convertible Currency" means a currency that is widely traded in international foreign exchange markets and widely used in international transactions.

(b) Prices quoted are net ex-works unpacked and are subject to VAT or other taxes (unless specifically stated to the contrary).

(c) The Company may charge interest on any sums still outstanding on the Due Date at the rate of 4% per annum above the base rate for the time being of the Company's bank.

(d) The Company may require, in its sole discretion that payment for export orders be by irrevocable letter of credit, which shall be in a form acceptable to the Company and confirmed by a South African Bank of international reputation.

(e) In case of any non-payment, the Company shall be entitled (without prejudice to its other rights) to suspend performance and charge the Customer for all costs and expenses occasioned thereby and/or at any time thereafter to terminate the Contract in accordance with clause 8 below.

(f) All Products shall remain the property of the Company until paid for in full. Pending payment of the full purchase price of the Products the Customer shall at all times keep the Products comprehensively insured against loss or damage by accident, fire, theft and other risks usually covered by insurance in the type of business carried on by the Customer in an amount at least equal to the balance of the price for the same from time to time remaining outstanding. The policy shall bear an endorsement recording the Company's interest. In addition, the Customer undertakes not to charge by way of security any of the Products which remain the property of the Company.

(g) Between delivery and payment in full the risk in the Products shall be with the Customer, who shall keep the same in good condition and repair, properly stored and labeled as being the Company's property.

(h) In the event of Termination in accordance with clause 8 below or in the event of non-payment (in full or in part) for the Products by the Due Date, the Customer hereby irrevocably licenses the Company (insofar as it is able) to enter upon any premises to repossess the Products.

(i) The Company's prices are subject to adjustment to take account of any variation in the Company's costs (beyond the reasonable control of the Company) including (but not limited to) variations in the cost of materials, labour, and/or overheads, exchange rate fluctuations, alteration of duties, changes to the specification by the Customer and other costs since the date of the quotation or (if no quotation is issued) the order acknowledgment.



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The Company accordingly reserves the right to adjust the invoice price by the amount of any increase or decrease in such costs after the price is quoted and the invoice so adjusted shall be payable as if the price set out therein were the original contract price.

6. WARRANTY

- (a) In this clause "Warranty Period" shall mean the period beginning on the date of dispatch of the Products (or relevant part thereof) and ending 12 months thereafter.
- (b) The Company warrants that the Products will be free from material defects caused by inadequacy or neglect in the Company's workmanship or materials during the Warranty Period (the "Warranty").
- (c) Save as provided for in sub-clauses (d) and (e) below, where any valid claim in respect of the Products or any part thereof which can be shown to the Company's reasonable satisfaction (on the balance of probabilities) to be based on a breach of the Warranty, is notified to the Company during the Warranty Period, the Company will (at the Company's sole option) repair or replace, or (at the Company's sole option) credit a sum to be agreed with the Customer in lieu of the repair or replacement of, any Product or part thereof.
- (d) The Company shall be under no liability for any breach of the Warranty:-
- Unless the Products have been properly installed, used, maintained and serviced;
 - Unless the Customer has informed the Company of the defect alleged within the Warranty Period and within 7 days of its discovery;
 - In respect of wearing and consumable parts; and/or
 - To Products or parts thereof not manufactured by the Company ("Third Party Products").
- (e) In the event of a defect arising in the Products at any time then the Customer will notify the Company in writing of such defect within 7 days of its discovery and:
- If it is within the Warranty Period then the Company will reply stating whether it accepts warranty liability pursuant to sub-clause (c) above and indicating what action it proposes to take (which action may include further investigation by the Company's service engineer) and if it transpires that the defect is not covered by a breach of the Warranty, then the Company reserves the right to make a reasonable charge for such investigation.
 - If the Warranty Period has expired, then, without prejudice to clause 7(f), the Company will offer advice (free of charge) and may offer repair or replacement at the Customer's expense.
 - Any dispute as to whether a defect is covered by the Warranty shall be immediately referred to an expert to be agreed by the Company and the Customer (or in default of agreement to be appointed by the President of the Institute of Mechanical Engineers in South Africa) whose decision shall be final and binding upon the parties and whose fees shall be shared equally by the parties.
- (f) In respect of Third Party Products the Company undertakes to pass on to the Customer any manufacturer's or supplier's warranty given by such manufacturer or supplier to the Company.
- (g) There are no third party beneficiaries of the Warranty granted by the Company herein.

7. LIMITATION OF LIABILITY AND FORCE MAJEURE

- (a) To the full extent permitted by applicable law, and without prejudice to clause 7(f), the Company shall in no circumstances be liable (whether in contract, tort or for negligence or breach of statutory duty or otherwise arising out of, or in connection with, the Contract) to the Customer to the extent that such liability:-
- is calculated by reference to profits, income, production or accruals or loss of business, loss of data, loss of profits, loss of goodwill, loss of anticipated savings, loss of revenue;
 - arises from any inaccuracies or omissions in any instructions, information, drawings, calculations, or specifications or material supplied by the Customer to the Company;
 - is of a special, incidental, indirect, consequential or exemplary nature;
 - is recovered by the Customer under the terms of any insurance policy (apart from any excess applicable to the relevant insurance); or
 - has been made good or is otherwise compensated without cost to the Customer.
- (b) To the full extent permitted by applicable law, and without prejudice to clause 7(f), except for the limited remedies provided above in clause 6: Warranty, the Company grants no warranties or conditions, express or implied in any communication by the Company to the Customer, or otherwise, regarding the Products. All warranties, conditions, representations and terms express or implied whether by statute, common law or otherwise are, to the extent permitted by law, excluded from these terms.
- (c) The Company makes no representation regarding compliance with any state, provincial, or local law, rules, regulations, building code or ordinance relating to the installation or operation of the Products ("local laws").



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The Customer acknowledges that it is the Customer's responsibility to comply with all applicable laws, rules and regulations relating to the installation and operation of the Products and indemnifies the Company from any claims actions, losses (including without limitation, loss of profit), damages, costs and expenses (including without limitation, legal costs and expenses) arising thereof.

(d) The Company shall be liable for damage to the Customer's physical property caused by the Company's negligence in connection with the production, manufacture or installation of the Products provided that the Company's total aggregate liability for such damage shall in no event exceed the equivalent in local currency of R1 million with respect to any one event or series of connected events.

(e) Without prejudice to clause 7(f) the Company's maximum aggregate liability under or in connection with this Contract, whether arising in breach of contract, tort (including negligence), breach of statutory duty or otherwise, shall in no event exceed the greater of R1,000,000 and the total amount payable/paid by the Customer under the Contract.

(f) Nothing in these terms shall exclude or limit the Company's liability for (i) fraud, (ii) death or personal injury caused by its negligence (including negligence as defined in any act), (iii) breach of terms regarding title implied under the Sale of Goods Act or the Supply of Goods and Services Act, or (iv) any other liability to the extent that the same may not be excluded or limited as a matter of law.

(g) Notwithstanding anything to the contrary in these terms, neither party shall be liable to the other for breach of its obligations under this Contract by reason of circumstances or events beyond the reasonable control of either of them.

(h) The Customer shall indemnify the Company against all actions, suits, claims, demands, costs, charges, damages, losses and expenses suffered or incurred by the Company and/or for which it may be liable to any third party due to, arising from or in connection with, directly or indirectly: (i) the Customer's instructions or lack of instructions; (ii) any failure or delay whatsoever in taking delivery or any other act, neglect or default on the part of the Customer, its servants, agents, or employees; or (iii) the breach of any provision of this Agreement by the Customer.

(i) The Customer shall indemnify and keep indemnified the Company against all costs, claims, losses, expenses and damages incurred by the Company or for which it may be liable to any third party due to or arising directly or indirectly out of any infringement or alleged infringement of patents, trademarks, copyright, design, right or other intellectual property right occasioned by the importation, manufacture or sale of the Products if made to the specification or special requirement of the Customer.

8. CANCELLATION AND TERMINATION

(a) In the case where the Products are being designed or adapted to a Customer's specific requirements, then the Customer shall (subject to 8(c) below) be entitled to cancel this Contract ("Cancellation") only by agreement in writing by the parties and upon payment to the Company of such amount as may be necessary to indemnify the Company against all loss and expense resulting from the Cancellation.

(b) The Company shall be entitled forthwith to terminate this Contract in the event of non-payment (in whole or in part) by the Due Date or if at any time before payment in full is made (whether or not payment is yet due) a petition is presented or resolution passed for the winding up or bankruptcy of the Customer or in the event of the appointment of a receiver or administrator of the Customer's business ("Termination").

(c) In the event of Cancellation or Termination the Customer shall be liable to the Company for all the costs and expenses which it incurred up until the date thereof and the profit it reasonably expected to make on the Contract had the same been fully performed, less such net sum (if any) as the Company is able to make in disposing of the Products.

9. GENERAL

(a) The Contracts (Rights of Third Parties) shall not apply to this Contract.

(b) If any provision or part of a provision of these terms is found to be illegal, invalid or unenforceable under any applicable law, such provision or part of a provision shall, insofar as it is severable from the remaining terms, be deemed omitted from these terms and shall in no way affect the legality, validity or enforceability of the remaining terms.

(c) Only variations or modifications to the Contract which are made in writing signed by Customer and Company shall be enforceable.

(d) The Customer may not assign, novate or otherwise transfer its rights or obligations under this Contract without the Company's prior written consent, and any attempt to do so shall be null and void and of no effect.

(e) Any failure by the Company to enforce its rights under this Contract will not be deemed a waiver of such rights.