

SEGURO HYDRAULICS (PTY) LTD
STANDARD CONDITIONS OF BUSINESS

1. INTERPRETATION

1.1. The following definitions and rules of interpretation apply to these Conditions:

Company: means the seller of goods, who for these purposes is Seguro Hydraulics.

Contract: means any contract between the company and the customer for the sale and purchase of goods, incorporating these conditions.

Customer: means the person, firm or company whose purchases the goods from the company.

Distributed goods: means new parts supplied but not manufactured by the company.

Goods: means any goods agreed in the contract to be supplied to the customer by the company (including any and new goods, distributed goods, reconditioned goods, secondhand goods, or repairs).

New goods: means any new parts manufactured and supplied by the company.

Recondition goods: means any parts which have been reconditioned, and are supplied, by the company.

Secondhand goods: means any secondhand machine and/or secondhand parts which are supplied by the company in accordance with any applicable secondhand goods regulations or legislation.

Repairs: means the repair by the company of plant or equipment belonging to the customer.

1.2. A reference to any laws, regulations, statutory instruments, are references to it as it is in force for the time being taking account of any amendments, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.3. Words in singular includes the plural and in plural include the singular.

1.4. A reference to one gender include a reference to the other gender.

2. APPLICATION OF TERMS

2.1. Subject to any variation under Condition 2.3 the Contract shall be subject always to these Conditions to the exclusion of all other terms and condition (including any terms or conditions which the customer purports to apply under any purchase order, confirmation of order, specification or other document).

2.2. No terms or conditions endorsed on, delivered with or contained in the customer's purchase order, confirmation of order, specification or other documents shall form part of the contract simply as a result of such document being referred to in the contract.

2.3. These conditions apply to all the company's sales and any variation to the contract and any recommendations about the goods will have no effect unless expressly agreed in writing and signed by the director of the company.

The customer acknowledges that it has not relied on any statement promise or representation made or given by or on behalf of the company which is not set out in the contract all these conditions. Nothing in this condition 2.3 shall exclude or limit the company's liability for fraudulent misrepresentation.

2.4. Each order or acceptance of the quotation for goods by the customer from the company shall be deemed to be an offer by the customer to buy goods subject to these conditions.

2.5. No order placed by the customer shall be deemed to be accepted by the company until the written acknowledgement of order is issued by the company on its sales order form, or (if earlier) the company delivers the goods to the customer.

2.6. The customer shall ensure that the terms of its order and any applicable specifications are complete and accurate.

2.7. In the event that:-

- (a) the terms of any purchase are in conflict with any of these conditions, the condition shall prevail; and
- (b) any expressed terms agreed in writing within the contract which are in conflict with any of these conditions, the express terms shall prevail.

3. QUOTATION AND PRICES

- 3.1.** Any quotation is given on the basis that no contract shall come into existence until the company dispatches and acknowledgement of order to the customer. Any quotation is valid for a period of 30 days only from its state, provided that it's company has not previously with drawn it.
- 3.2.** Prices quoted in the company's quotation or price lists:-
 - (a) are those then current and shall not be binding on the company;
 - (b) are exclusive of Value Added Tax or any other tax, levy, duty or surcharge whether imposed before or after making the contract, and

4. ORDERS

- 4.1.** All orders by the customer which are not on the companies sale order form:-
 - (a) must be numbered;
 - (b) must identify the goods by reference to a part where relevant and a description of goods;
 - (c) must specify the address to which the goods are to be delivered ("the place of delivery"); and
 - (d) must specify the address to which the invoice is to be sent.
- 4.2.** Orders made by telephone will be confirmed in writing by the company on the company's sale order form.
- 4.3.** By agreement between the company and the customer orders for the goods may be established for delivery by instalments.
- 4.4.** he quantity and description of the goods shall be set out in the company's quotation or acknowledgement of order.

5. DESCRIPTION OF GOODS

All samples, drawings, descriptive matter, specifications and advertising issued by the company and any descriptions or illustrations contained in the company's catalogues or brochures are issued or published for the sole purpose of giving an approximate idea of the goods described in them. They shall not form part of the contract and this is not a sale by sample.

6. SPECIFICATION AND MATERIAL

- 6.1.** The company warrants that new goods will be of a satisfactory quality.
- 6.2.** Distributed goods will be supplied by the company. Where the company is not the manufacture of the goods, the company shall use reasonable endeavours to transfer to the customer the benefit of any warranty or guarantee given to the company.
- 6.3.** The Company warrants that the work carried out by it on recondition good and repairs will be of satisfactory quality.
- 6.4.** The customer acknowledges that it has inspected secondhand goods prior to the date of the contract and accordingly no warranty as to their quality of fitness for any particular person is given by the company unless the company in its absolute discretion otherwise agreed in writing.
- 6.5.** In the event that the customer believes there to be a defect in the new or reconditioned goods, or repairs, the customer will inform the company of such defect and provide the company with a reasonable opportunity to examine such defective goods or repairs.
- 6.6.** Subject to condition 6.5, if any of the new or reconditioned goods, or repairs, are proved to be defective, the company will, always at its sole discretion, either refund the price (at the pro rata contract rate) repair or replace any new or reconditioned goods, or repair, which after proper use (stored, handled and use correctly in accordance with any and all

instructions provided) proved to be defective within the earlier of a period of 6 calendar months or 1000 machine hours after the date of delivery ("the warranty period") or such other period as the company may at its sole discretion agree in writing. The repair or replacement of any new or reconditioned goods, or repairs, shall not extend the original warranty period.

- 6.7.** No warranty provided by this Condition 6 shall apply to goods which have been processed, altered, repaired or otherwise interfered with by a party other than the company or which have not been stored, handled or use in accordance with the company's instructions and recommendations.

7. LIMITATION OF LIABILITY

- 7.1.** The company's compliance with its obligations under condition shall be in lieu of any agreement, representation, warranty or condition (where expressed or implied, statutory or otherwise) as to the quality of any goods or repairs or the fitness of any particular purpose of the goods.
- 7.2.** Except where by law it's liability cannot be excluded, the company shall not be under any liability for consequential loss whether in contract tort or otherwise as a result of the customer having entered into the contract and the companies prices are set accordingly.
- 7.3.** All warranties, conditions and other terms implied by the statute or common law (save for the conditions implied by section 12 of the Sales of Goods Act 1979) are, to the fullest extent permitted by law, excluded from the contract.
- 7.4.** Nothing in these conditions excludes or limits the liability of the company:
- (a)** for death or personal injury caused by the company's negligence; or
 - (b)** under section 2(3), Consumer Protection Act 1987; or
 - (c)** for any matter which it would be illegal for the company to exclude or attempt to exclude its liability; or
 - (d)** for fraud or fraudulent misrepresentation.
- 7.5.** The company's total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the contract shall be limited to the contract price.
- 7.6.** Notwithstanding the provision of this Clause 7, the company shall not be liable to the customer for any pure economic loss, loss of profit, loss of business, depletion of goodwill or otherwise, in which each case whether direct, indirect or consequential, or any claims for consequential compensation whatsoever (however caused) which arise out of or in connection with the contract.
- 7.7.** The company shall not be held liable where the customer has ordered parts with the incorrect description, part-number or quantity.
- 7.8.** The company shall not be held liable where incorrect fitment procedures have been followed by the customer.

8. DELIVERY

- 8.1.** Unless otherwise agreed in writing by the company, delivery of the goods shall take place at the company's place of business.
- 8.2.** The customer shall take delivery of the goods within three days of the company giving it notice that the goods are ready for delivery.
- 8.3.** Any dates specified by the company for delivery of the goods are intended to be an estimate and time for delivery shall not be made of the essence by notice. If no dates are so specified, delivery shall be within a reasonable time.
- 8.4.** Subject to the other provisions of these conditions, the company shall not be liable for any costs damages charges or expenses caused directly or in directly by any delay in the delivery of the goods (even if caused by the company's negligence), nor shall any delay entitled the customer to terminate or resend the contract unless such that they exceeds 180 days and is not due to an event of Force Majeure.

- 8.5.** If for any reason the customer fails to accept delivery of any goods when they are ready for delivery, or the company is unable to deliver the goods on time because the customer has not provided appropriate instructions, documents, licenses or authorisations:
- (a)** the goods shall be deemed to have been delivered and payment will become due in accordance with condition 11; and
 - (b)** risk in the goods shall pass on to the customer as a video and delivery date;
 - (c)** the Company reserves the right to request that the customer shall take delivery of the goods within two days from the expiry of the notice given under condition 8.2;
 - (d)** notwithstanding provisions of condition 8.5(c), the company may store the goods until actual delivery takes place, where upon the customer shall be liable for all related costs and expenses (including, without limitation, storage and insurance); and
 - (e)** the company shall not be bound to take any steps for the care of the goods or be liable for any loss or damage suffered by the customer arising from such care.
- 8.6.** If the company delivers to the customer a quantity of goods up to 5% more or less in the quantity accepted by the company, the customer shall not be entitled to object to or reject the goods or any of them by reason of the surplus or shortfall and shall pay for such goods at the pro rata contract rate.
- 8.7.** The company reserves the right to deliver the goods by separate instalments. Each separate instalment shall be invoiced and paid for in accordance with the provisions of the contract.
- 8.8.** Each instalment shall be considered to be a separate contract and no cancellation or termination of any one contract relating to any instalment shall entitle a customer to repudiate or cancel any other contract or instalment.

9. SHORTAGES, DAMAGE AND NON-DELIVERY

- 9.1.** The Company shall not be liable for any damage in transit or non-delivery of goods (even if caused by the companies negligence) unless the customer gives written notice to the company of the damage or non-delivery within 7 days of the date when the goods would in the ordinary course of events have been received.
- 9.2.** Any liability of the company for non-delivery of the goods shall be limited to replacing the goods within a reasonable time or issuing a credit note at the pro rata contract rate against any invoice raised for such goods.

10. RISK/TITLE

- 10.1.** Subject to condition 8.5(a) the goods are at the risk of the customer from the time of delivery.
- 10.2.** Ownership of the goods shall not pass to the customer until the company has received in full (in cash or cleared funds) all sums due to it in respect of:
- (a)** the goods; and
 - (b)** all other sums which are or which become due to the company from the customer on any account.
- 10.3.** Until ownership of the goods has passed to the customer, the customer shall:
- (a)** hold the goods on a fiduciary basis as the company's bailee;
 - (b)** store the goods (at no cost to the company) separately from all goods of the customer or any third-party in such a way that they remain readily identifiable as the company's property
 - (c)** not destroy, the face or obscure any identifying mark or packaging on or relating to the goods; and
 - (d)** maintain the goods in a satisfactory condition and keep them insured on the companies behalf for the full price against all risks to the reasonable satisfaction of the company. On request the customer shall produce the policy of insurance to the company.
- 10.4.** The customer may re-sell the goods before ownership has passed to it so only on the following conditions:

- (a) any sale shall be effected in the ordinary course of the customer's business at full market value; and
 - (b) any such sale shall be a sale of the company's property on the customer's own behalf and the customer shall deal as principal when making such a sale.
- 10.5.** The customers right to possess the goods shall terminate immediately if:
- (a) the customer has a bankruptcy order made against him or makes an arrangement or composition with his creditors or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver and/or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the customer or notice of intention to appoint an admin is given by the customer or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding-up of the customer or for the granting of an administration order in respect of the customer or any proceedings are commenced relating to the insolvency or possible insolvency of the customer; or
 - (b) The customer suffers or allows any execution, whether legal or equitable, to be levied on his/its property or obtained against him/it, or fails to observe or perform any of his/its obligations under the contract or any other contract between the company and the customer, or is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or the customer ceases to trade; or
 - (c) The customer encumbers or in any way charges any of the goods.
- 10.6.** The company shall be entitled to recover payment for the goods not with standing that ownership of any goods has not passed from the company.
- 10.7.** The customer grants the company, its agents and employees and irrevocable license at any time to enter any premises where the goods are or may be stored in order to inspect them, or, where the customers right to possession has terminated, to recover them.
- 10.8.** Where the company is unable to determine whether any goods are the goods in respect of which the customer's right to possession has terminated, the customer shall be deemed to have sold all goods of the kind sold by the company to the customer in the order in which they were invoiced to the customer.
- 10.9.** On termination of the contract, however caused, the company's (but not the customer's) rights contained in this condition 10 shall remain in effect.

11. PAYMENT

- 11.1.** Time for payment shall be of the essence.
- 11.2.** The company reserves the right, in its sole discretion, to enter into credit terms with the customer by agreeing to the opening of a credit account. In the event that a credit account is opened, all credit account invoices shall become due and payable will for payment within 30 days of the date of the invoice.
- 11.3.** Failure by the customer to pay their credit account invoices by the due date shall be considered to be a material breach of the contract and the company reserves the right to terminate the contract immediately and condition 10 shall apply.
- 11.4.** Subject to condition 11.1, all other customers shall pay for the goods in South African Rands, or such other currency denomination as stated on the acknowledgement of order and/or invoice, are there at the time of delivery, or if otherwise agreed in writing with the company, within 5 days of receipt of a pro-forma invoice.
- 11.5.** No payment made in accordance with condition is 11.1 or 11.4 shall be deemed to have been received until the company has received cleared funds.
- 11.6.** The customer shall make payment to the seller in respect of all invoices in full and without any deduction whether by way of set off (weather in relation to such invoice or otherwise), counterclaim, discount, abatement or otherwise unless the customer has a

valid court order requiring an amount equal to such a deduction to be paid by the company to the customer.

- 11.7.** If the customer fails to pay the company any sum due pursuant to the contract, the customer reserves the right to claim interest under the Late Payment of Council Debts (interest) Act 1998.

12. LIEN

- 12.1.** Where the customer has delivered goods to the company for repair and re-delivery to the customer the company shall have a general and particular lien over such goods for all claims and money due and owing by the customer to the company under the contract or any account whatsoever.

- 12.2.** In case any lien not satisfied within 14 days from the date on which the company first give notice of the lien to the customer the goods may be sold by the company and the proceeds of the sale applied in or towards the satisfaction of every such a lien and all proper charges and expenses incurred by the company in connection with, the company accounting to the customer for any surplus.

13. FORCE MAJEURE

The company reserves the right to defer the date of delivery or to cancel the contract or reduce the volume of goods ordered by the customer (without liability to the customer) if it is prevented from or delayed in the carrying on of its business due to circumstances beyond reasonable control of the company including, without limitation, acts of God, governmental acts, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to other party's workforce), or restraints or delays affecting carriers or inability or delays in obtaining supplies of adequate or suitable materials, provided that, the event in question continues for a continuous period in excess of 90 days, the customer shall be entitled to give notice in writing to the company to terminate the contract.

14. CANCELLATION

Contracts and purchase orders may not be cancelled by the customer without the written consent of the company and contracts resulting from special or bespoke orders may not be cancelled in any circumstances. In the event of the goods being returned to the company as a result of the cancellation of a contract, the company reserves the right to make a cancellation charge calculated by the company based on the cost of the company which were reasonably incurred which cannot be recovered together with the handling, warehousing, or storage charge.

15. INSOLVENCY

The company shall have the right to terminate the contract immediately by notice in writing where the customer becomes insolvent or bankrupt or make any arrangements with its creditors or suffers a receiver to be appointed or being a corporate body enters into liquidation (other than in connection with a reconstruction or amalgamation) in any of which cases the company shall have no further obligation and the price for all the goods delivered shall become immediately due and payable.

16. ASSIGNMENT

- 16.1.** The Company may assign the contract or any part of it to any person, firm or company.

- 16.2.** The customer shall not be entitled to assign the contract or any part of it without the prior written consent of the company.

17. DATA PROTECTION

Any and all data in relation to the customer will be held and/or transferred in strict accordance with data protection laws and, if applicable, the company's data protection registration.

18. WAIVER

- 18.1.** Failure or delay by the company in enforcing or particularly enforcing any provision of the contract shall not be construed as a waiver of any of its rights under the contract.

18.2. Any waiver by the company of any breach of, or any default under, any provision of the contract by the customer shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the contract.

19. VARIATIONS

No variation of any contract shall be valid and binding unless the terms thereof have been agreed in writing by both the company and the customer.

20. SEVERANCE

If any provision of the contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall to the extent of such illegality, invalidity, voidness, violability, unenforceability or unreasonableness be deemed severable and the remaining provisions of the contract and the remainder of such provision shall continue in full force and effect.

21. THIRD PARTY RIGHTS

The parties to the contract do not intend that any term of the contract shall be enforceable by virtue of the contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.

22. PROPER LAW

This contract shall be governed by and construed according to the laws of South Africa and the customer agrees to submit to the non-exclusive jurisdiction of South African courts.