

## TERMS AND CONDITIONS OF SALES AND DELIVERY

---

These Terms and Conditions pertain to AVK Holding Southern Africa (Pty) Ltd that consists of the following companies/business units:

- AVK Valves Southern Africa (Pty) Ltd
- AVK Industrial (Pty) Ltd
- Premier Valves Mining (Pty) Ltd

Hereby referred to as “**the organization**” in this document

### ACCEPTANCE:

Except where specifically agreed to the contrary in writing by the organization, orders resulting from the organization written quotations and price lists are subject to the terms and conditions embodied herein.

The organization do not accept any form of penalties in any form whatsoever.

### TESTS:

The goods will be tested in accordance with the specifications of the organization tender and/or the relevant standard specifications as stated therein.

### AVAILABILITY:

Offers for equipment available ex-stock are subject to such stock remaining unsold at time of order placement.

### DELIVERY DESTINATION:

- Delivery periods quoted are based on the manufacturing position as at the time of quotation. Delivery periods is an estimate and is subject to review at time of order placement.
- Whilst every endeavour will be made to maintain such deliveries, no liability shall be accepted by the organization for delay due to causes beyond its control.
- The organization shall only accept liability for late delivery where The organization, liability for such late delivery is not excluded in terms of the foregoing and where The organization has specifically agreed in writing to the payment of a penalty or liquidated damages or damages for such late delivery, in which case The organization liability shall be limited to the amount so agreed by a duly authorised manager of The organization.
- All goods quoted are done ex-works JHB of CPT warehouse unless prior arrangements have been made.
- Outline areas will be quoted accordingly.
- Allow 24 hours for picking and packing of orders.
- All delivery periods as quoted exclude December shutdown.

## TERMS AND CONDITIONS OF SALES AND DELIVERY

---

- The organization will deliver, where provided for, to a destination named in its quotation at which point the organization's responsibility for the goods will be limited to the standard conditions of sales and deliveries.

### ESCALATION:

Where the sum of the quotation validity period and delivery period is more than 90 (ninety) days, prices for goods or services quoted by the organization are subject to escalation in accordance with the relevant SEIFSA indices for material, labour and transport.

### PACKING:

- Where the organization deems goods vulnerable to damage during transit, the organization reserves the right to pack such goods in suitable protective packaging or crates.
- Costs for packing will be quoted and agreed to beforehand and will be substantiated by a copy of relevant documentation from the packaging contractor.

### PRICE BASIS:

- Prices shall be referenced from the organization valid List Price or from the organization written quotations.
- Prices can increase due to insufficient information where more detailed information is need for accurate pricing.
- Prices, where applicable, are subject to fluctuation in the exchange rate and are for the purchasers account. (Indicate Exchange rate used on your quotation).
- We reserve the right to review our prices against partial orders.

### PAYMENT TERMS:

- Payment terms are cash in advance or COD.
- Alternatively, credit terms can be applied for by completing a credit application form.
- Credit checks will be performed, and a credit limit will be granted, subject to the credit limit granted by Credit Guarantee Insurance Corporation of Africa Limited, as the credit insurer of the organization.
- Standard terms of payment for all goods and services received from the organization are payment within 30 (THIRTY) days of statement.
- Thereafter interest will be charged at 2.5% per month on all overdue amounts.
- Where the organization has quoted delivery point as ex-works, delivery shall be deemed to have been completed when the goods are ready for collection, at which time, the Purchaser shall be advised, and an invoice will be generated.
- Payment for ex-works goods shall be due within the requisite period in accordance with the organization payment terms, starting from the date on valid order completion advice was issued to the Purchaser.

## TERMS AND CONDITIONS OF SALES AND DELIVERY

---

- Failure or delay by the Purchaser to effect collection of completed goods shall not relieve the Purchaser from the contractual obligation to remit payment within 30 days from statement date.
- The Purchaser undertakes to refund to The organization any extra costs incurred by The organization as a result of the Purchaser's instruction or lack of instructions and for the purpose of this paragraph extra cost shall mean any amount which The organization becomes liable to pay, whether in wages, for materials or otherwise howsoever in respect of the work which The organization would not have been liable to pay but for the Purchaser's action or default. In the event of dispute on the amount of the extra cost, the decision of a mutually agreed upon arbitrator, shall be final and binding.

### DISCOUNT:

- Trade discounts will be negotiated on a contract, tender or quotation basis.
- A 2.5% settlement discount can only be allowed if agreed upon in writing and approved by the Financial Manager and where full and final settlement is received within 30 (thirty) days from date of statement.
- The organization statement/invoice reflects the date by which payment must be received to qualify for discount, therefore late receipt or non-receipt of statements will not constitute acceptable reason for payment delays.
- Late payments which reflect arbitrary discount deductions will be received without prejudice to the organization, right to full and final payment.

### TITLE:

Ownership of all goods supplied by The organization will not pass to the purchaser or any other party until paid for in full and until such time, The organization shall be entitled to re-possess the goods whether affixed to immovable property or not. All such goods shall be deemed to be removable property and severable from immovable property.

### QUOTATION VALIDITY:

- Written quotations will be held valid for a maximum of 30 (thirty) days unless contradicted in writing by the organization.
- Prices are quoted by the organization in good faith based on the ruling costs of material, labour, transport and, if applicable, insurance, sureties and retention monies, as well as statutory government taxes, levies, duties and surcharges.
- Severely adverse changes and/or additions to any of these costs components which are contributory in the calculation of a price or prices quoted by the Company' will be for the purchasers account.

### CANCELLATION:

Order cancellation or variation will not be considered without the written consent of the organization and in the case of equipment being or having been manufactured

## TERMS AND CONDITIONS OF SALES AND DELIVERY

---

specifically for an order, the purchaser will be liable to pay a portion of the price per the stage of completion of the equipment ordered, plus a 10% cancellation fee.

### **RETURNS FOR CREDIT:**

Acceptance of goods returned will be entirely at the discretion of the organization and subject to a minimum restocking charge and handling fee equal to 15% of the gross invoiced value of such returned goods.

### **GUARANTEE:**

The organization guarantees that the goods supplied will conform to specification and to any requirements specifically accepted by The organization in writing regarding each order but, except as aforesaid The organization gives no warranty, express or implied, of material workmanship or fitness of goods for any purpose whether such purpose be known to us or not. In the event of the goods proving to not be in accordance with the specifications or requirements aforesaid, or should defects under proper use, appear in the goods within a period of 12 (TWELVE) calendar months after the goods have been delivered, caused solely by faulty design, materials or workmanship, we shall, if requested to do so within a reasonable time, but not later than 18 (EIGHTEEN) calendar months from date of delivery repair such goods, or at our option replace goods or the defective parts thereof, free of charge by supplying other goods or replacement parts at the initial place of delivery which do comply with the specifications or requirements aforesaid and/or which are free of the defects complained of.

### **IT IS A CONDITON OF THIS GUARANTEE:**

That any defective parts are returned to the organization at the Purchaser's expense and in respect of parts or components not of the organization manufacture, the organization guarantee shall be limited to the guarantee,

if any, which we may have received from the supplier of such parts or components in respect thereof so that The organization liability in terms of such guarantee shall be no greater than The organization liability in terms of the organization own guarantee as set out in this clause;

The organization shall be given reasonable time and opportunity to comply with the terms of the guarantee before you call upon the organization to pay any sums in respect of liquidated damages;

and save as provided in this clause, The organization shall be under no liability, whether in contract, delict or otherwise in respect of defects in goods delivered, or for any injury, damage or loss resulting from defect or from any work done in connection therewith.

### **PATENTS:**

The organization will indemnify the Purchaser against any claim of infringement of Letters Patent or Registered Design (published at the date of the Contract) by the use or sale of any article or material supplied by The organization to the Purchaser and against all costs and damages which the Purchaser may incur in any such action.

## TERMS AND CONDITIONS OF SALES AND DELIVERY

---

Provided always that this indemnity shall apply to an infringement which is due to The organization having followed a design or instruction furnished or given by the Purchaser, or to the use of such articles or material in a manner or for a purpose or in a foreign country not specified by or disclosed to The organization, provided that this indemnity is conditional on the Purchaser giving The organization the earliest possible notice in writing of any claim being made or action threatened or brought against the Purchaser and on the Purchaser permitting The organization at The organization own expenses to conduct any litigation that may ensue and all negotiations for a settlement of the claim.

The Purchaser on their part warrant that any design or instruction furnished or given by the Purchaser shall not be such as to cause the organization to infringe any Lenders Patent, Registered Design or Trade Mark in the execution of the Purchaser's order. solely to the terms of its guarantee.

### **LEGAL CONSTRUCTION:**

Contracts entered with the organization shall be interpreted and construed in accordance with **the laws of the Republic of South Africa** whose courts shall have jurisdiction in respect of any dispute whatsoever.

### **LEGAL JURISDICTION:**

In terms of Section 45 of the Magistrates Court Act of 1944 the Purchaser consents to the jurisdiction of any Magistrates Court by Section 20 of the said Act, notwithstanding that any Claim against the Purchaser may exceed the jurisdiction of such Magistrates Court It is recorded that the organization is not bound hereby and shall be entitled to institute any proceedings against the Purchaser out of any other Court of competent