



STM Riduttori South Africa (Pty) Ltd General Terms and Conditions of Purchase and Service

PURPOSE

The terms and conditions of purchase provide a framework for conducting business transactions in a fair, transparent, and legally compliant manner, while also protecting the interests of both parties involved.

1. DEFINITIONS

- 1.1. "Buyer" refers to any entity that has issued a Purchase Order to the Seller (hereinafter also referred to as a "Party").
- 1.2. "Parties" collectively denote the Seller and the Buyer.
- 1.3. "Products" denotes the products of the Seller as specified in the relevant Purchase Order accepted by the Seller.
- 1.4. "Purchase Order" signifies the pertinent purchase order issued by the Buyer to the Seller.
- 1.5. "Seller" includes STM Riduttori South Africa (Pty) Ltd. and any of its direct or indirect subsidiary companies and affiliates that accept a Purchase Order (also hereinafter referred to as a "Party").
- 1.6. "Warranty Period" signifies, unless otherwise agreed in writing between the Parties, the warranty period commencing from the delivery date of the Products and concluding 12 (twelve) months thereafter.

2. LIMITS OF APPLICATION:

2.1. The general terms and conditions of sale exclusively govern the sale of Products by the Seller to the Buyer based on Purchase Orders issued by the Buyer, wherein the Purchase Order serves as a binding proposal by the Buyer to purchase Products following these Terms and Conditions.

2.2. The purchase order is officially accepted when the Seller issues a written acceptance of the purchase order. However, if the seller does not provide written acceptance, the purchase order is still considered accepted when the seller delivers the products to the buyer. This situation is referred to as the "Accepted Purchase Order." Essentially, acceptance occurs either through explicit written confirmation or implicitly through the act of delivering the products.

2.4. These Terms and Conditions take precedence over any of the Buyer's general terms and conditions of purchase, regardless of whether or when the Buyer has submitted its Purchase Order or such terms.

2.5. Acceptance of the Purchase Order by the Seller does not imply acceptance of any of the Buyer's terms and conditions, nor does it serve to modify or amend these Terms and Conditions.

2.6. If a written contract signed by both Parties exists covering the sale of the Products covered herein, the terms and conditions of said contract shall prevail to the extent they do not conflict with these Terms and Conditions.

2.7. The Accepted Purchase Order and these Terms and Conditions (referred to collectively as the "Agreement") constitute the entire agreement between the Parties, superseding all prior understandings, agreements, negotiations, and communications, whether written or oral.



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3. TRANSPORTATION, RECEIPT, OWNERSHIP, AND LIABILITY FOR LOSS OR DAMAGE

3.1. Provided the Buyer adheres to Sections 5 and 8 of these Terms and Conditions, the Seller will transport the Products to the designated delivery location as outlined in the mutually agreed upon Accepted Purchase Order. Any alterations to the Products after the Seller's acceptance of the Purchase Order will result in a corresponding extension of the delivery date.

3.2. Although delivery times are estimated in good faith, the Seller will strive to meet them. Nonetheless, the Seller cannot accept responsibility for any loss or damage suffered by the Buyer resulting from delays or failures in delivery, regardless of the cause, whether within or beyond the Seller's control. The Buyer is obliged to accept delivery when offered and cannot cancel the contract due to delivery delays. Failure to accept timely delivery may result in additional storage and related charges.

3.3. The Seller may, at their discretion, make partial deliveries. Each delivery or partial delivery is considered a distinct contract, and the Seller's failure to fulfill any delivery or partial delivery does not grant the Buyer the right to cancel or refuse the remaining portion of the order.

3.4. Ownership of the Products transfers to the Buyer upon the Seller's receipt of the full purchase price stated in the Purchase Order.

3.5. The Buyer assumes the risk of loss for the Products upon their delivery or delivery to a carrier for onward transit to the Buyer. In such instances, the carrier is acting on behalf of the Buyer.

4. PRODUCT RETURNS

4.1. To receive credit for returned goods, the Buyer must obtain prior approval from the Seller and agree to cover all transportation expenses associated with the return. The Seller reserves the right, at its discretion, to impose a handling fee of up to 25% of the invoice value of the goods for any accepted returns.

5. COST AND SETTLEMENT

5.1. The Buyer agrees to acquire the Products from the Seller at the designated cost ("Price") stated in the Accepted Purchase Order.

5.2. The Buyer is responsible for any extra expenses accrued by the Seller related to delivery, which are not included in the agreement between the Parties, such as inspection expenses or certification fees.

5.3. The cost does not cover any sales and/or use taxes, along with any other comparable taxes, duties, or fees of any nature.

5.4. If the Products undergo agreed modifications following acceptance of the Purchase Order, the Seller retains the right to independently revise the Price.



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5.5. The Seller will furnish the Buyer with a comprehensive estimate encompassing all stages of the Work, for which the Seller will bear personal liability, and will seek my prior consent if required before proceeding with said Work. The Sellers approval for the Work, for which they will be responsible, may be granted via telephone, electronic means, and/or digitally, and may be executed by STM Riduttori South Africa (Pty) Ltd. Additionally, during the term of the Agreement, if there is an escalation in production expenses beyond the Seller's control, such as raw material or energy costs, the Seller reserves the right to promptly adjust the Price of the Products, provided written notice is issued to the Buyer in advance.

5.6. If the Seller has authorized Work to be carried out as is contemplated in clause 1.3 above, such additional Work will be subject to all these terms and conditions and will not be deemed to constitute a new or separate contract.

5.7. The Buyer is obligated to settle all invoiced sums in accordance with the payment conditions delineated in the Accepted Purchase Order. If such terms are not stipulated, payment must be rendered within thirty (30) days of receiving a statement from the Seller.

5.8. Should the Buyer cancel or fail to authorize the Work, then the Buyer will be liable to pay for a strip and quote fee that STM Riduttori South Africa (Pty) Ltd has spent working on the unit to the date on which the Buyer gave the STM Riduttori South Africa (Pty) Ltd notice of such cancellation.

5.9. As contemplated in clause 5.8. If the Buyer cancels or fails to authorize the Work before a three (3) month period from the date of goods received, the unit will be scrapped to recover the strip and quote fee.

5.10. As contemplated in clause 5.9. The Buyer acknowledges that STM Riduttori South Africa (Pty) Ltd is entitled to dispose of the unit in any manner that STM Riduttori South Africa (Pty) Ltd deems fit (with or without a Court Order) to recover the strip and quote fee for which the Buyer liable and accordingly indemnify the Seller for any claims of whatsoever nature that maybe brought against the Seller now or in the future by the Buyer's successors in title, or beneficiaries or any other third party.

5.11. STM Riduttori South Africa (Pty) Ltd will carry out the Work as soon as is reasonably possible (bearing in mind that STM Riduttori South Africa (Pty) Ltd relies on the availability of parts and accessories). Any dates given for delivery and completion of the Work are estimates only and no exact delivery date or time has been agreed upon.

5.12. STM Riduttori South Africa (Pty) Ltd does not accept liability for any loss or damage to any items left the premises. STM Riduttori South Africa (Pty) Ltd will take all reasonable steps to take care of goods while in its possession, however I will have to pay for any loss or damage due to circumstances outside of the STM Riduttori South Africa (Pty) Ltd control. The risk of damage or loss of the goods will remain my risk at all times.

6. ORDERS RELIANT ON ITEMS BEING PREVIOUSLY SOLD

6.1. If any offer is made to deliver goods from existing inventory, it is dependent on that inventory being available and unsold at the time the order is received. If the order is fulfilled using stock that arrives after the offer is accepted, the price charged will be based on the price at the time of dispatch, not the price at the time the offer was accepted.



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7. DELIVERY PAUSE AND TERMINATION

7.1. The Seller retains the authority to pause or terminate deliveries, either entirely or partially, as deemed appropriate, if the Buyer fails to fulfill any payments owed for current or past deliveries.

7.2. Without prejudice to the Seller's right to seek damages, the Seller reserves the authority to immediately terminate the Agreement under any of the following circumstances: (i) failure by the Buyer to make timely payments as per the Agreement, (ii) commencement of any domestic or foreign bankruptcy or insolvency proceedings involving the Buyer, (iii) change in control of the Buyer, (iv) breach of any Agreement provision by the Buyer due to a Force Majeure Event persisting for more than 30 (thirty) days.

7.3. The Seller shall not be held liable to the Buyer for any form of damage, whether direct or indirect, resulting from the expiration or termination of the Agreement.

7.4. The expiration or termination of the Agreement does not constitute a waiver of any of the Seller's rights, remedies, or defenses under the Agreement, whether under law or otherwise

8. ADDITIONAL BUYER OBLIGATIONS

8.1. Concerning the Products, the Buyer agrees to: (i) collaborate with the Seller on all matters pertaining to the Products, granting access to premises and other facilities as reasonably requested by the Seller, (ii) promptly address any requests from the Seller for guidance, information, approvals, or decisions essential for fulfilling the Seller's duties under the Agreement, (iii) promptly furnish any materials or information requested by the Seller to fulfill its responsibilities under the Agreement, ensuring their accuracy and completeness, (iv) maintain adequate commercial general liability insurance at its own expense and furnish the Seller with a certificate of insurance upon request, and (v) acquire and uphold all requisite licenses and consents for fulfilling its obligations under the Agreement.

9. LIABILITY LIMITATIONS

9.1. Neither Party shall be responsible for consequential or indirect damages, such as those arising from business interruptions, cessation of operations, missed opportunities, damage to reputation, or harm to the company's brand image; furthermore, each Party's total liability for direct damages under any Accepted Purchase Order shall not surpass the value of the respective order.

9.2. These liability limitations do not apply in situations involving gross negligence or intentional wrongdoing by either party, nor in cases of death or physical injury caused by the actions or omissions of the parties involved. In these specific instances, the parties may still be held fully liable.

9.3. If the Seller's ability to fulfill its obligations under the Agreement is hindered or delayed by any action or inaction of the Buyer or its agents, subcontractors, consultants, or employees, the Seller shall not be considered to have breached its obligations under the Agreement, nor shall it be held liable for any costs, charges, or losses suffered or incurred by the Buyer, to the extent directly or indirectly resulting from such hindrance or delay.



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10. PRODUCT WARRANTY

10.1. The Seller guarantees that each Product will be devoid of substantial defects in design and craftsmanship throughout the Warranty Period.

10.2. The buyer agrees that they are liable for any costs not paid by a warranty.

10.3. The Product Warranty is not valid for any Product that: (i) has undergone abuse, misuse, negligence, accidents, improper testing, improper installation, improper storage, improper handling, excessive physical strain, unusual environmental conditions, or usage contrary to Seller's instructions; (ii) has been reconstructed, disassembled, repaired, or modified by anyone other than Seller or its authorized representatives; or (iii) has been used with third-party products not previously authorized in writing by Seller.

10.4. During the Warranty Period, concerning any purportedly defective Product: (i) The Buyer must promptly inform the Seller in writing of any alleged defect, but in any case, not later than 10 (ten) days from the date the Buyer detects such an alleged defect; (ii) The Buyer, at its own expense, must promptly return the purportedly defective Product to the Seller; (iii) Subject to the limitations outlined in this Section 10 of the Product Warranty, if the Seller's inspection and testing determine, to the Seller's reasonable satisfaction, that the Product is defective, the Seller will, at its sole discretion and expense, either repair or replace the defective Product.

10.5 The Seller has not provided and does not provide, any explicit or implicit assurances, whether spoken or written. These assurances include warranties of merchantability, suitability for a particular purpose, absence of infringement on third-party intellectual property rights, or conformity of Products to standards specific to the importing country.

10.6 Limits allowed by the applicable law and regardless of any other part of the Agreement, Section 10 serves as the Buyer's sole recourse for addressing defective Products. However, the Buyer's recourse under this section is contingent upon fulfilling its obligation to promptly inform the Seller in writing of any alleged defects and to fulfill its payment obligations related to those defective Products.

10.7 Electing expedited services for breakdown repairs results in the client relinquishing their entitlement to warranty coverage, while also incurring supplementary transportation expenses and service fees. Any delays in resolving issues due to inadequate testing or adherence to client-imposed deadlines are the sole responsibility of the client. Regular communication intervals between the seller and buyer will be upheld to ensure the buyer remains informed throughout the process.

11. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

11.1. The Buyer acknowledges and accepts the following: (i) All Intellectual Property Rights held by or licensed to the Seller are solely and exclusively owned by the Seller or its licensors, and (ii) the Buyer shall not obtain any ownership rights in any Intellectual Property Rights belonging to the Seller or its licensors under the Agreement. Additionally, for the purposes of these Terms and Conditions, "Intellectual Property Rights" encompass all industrial and other intellectual property rights related to: (i) utility or design patents, (ii) trademarks, (iii) internet domain names, (iv) designs, (v) software and firmware, and (vi) trade secrets, business and technical information, and know-how.

11.2. Both Parties, identified respectively as the "Disclosing Party" and the "Receiving Party," reserve the right to share details about their business operations, products, services, projections, confidential data and materials, and other sensitive or proprietary information, including Intellectual Property Rights. This information, along with the terms of



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the Agreement, whether communicated verbally or in written, electronic, or any other form or medium, and regardless of whether they are marked, labeled, or otherwise indicated as "confidential," collectively constitutes "Confidential Information" as defined herein.

11.3. Confidential Information excludes information that: (i) is publicly available and known to the general public, except as a result of any breach of the Agreement by the Receiving Party, whether directly or indirectly, or (ii) must be disclosed in compliance with relevant laws and regulations.

12. FORCE MAJEURE

12.1. Neither Party shall be held liable or deemed to have breached the Agreement due to any failure or delay in fulfilling its obligations under the Agreement (excluding payment obligations), when such failure or delay is caused by events beyond the impacted Party's control, including but not limited to: (i) acts of God, (ii) natural disasters such as floods, fires, earthquakes, or explosions, (iii) war, invasion, terrorism, riots, or civil unrest, (iv) governmental actions, (v) national or regional emergencies, including epidemics, pandemics, or outbreaks, (vi) labor strikes or industrial disturbances, (vii) shortages of power or transportation facilities, and (viii) embargoes or blockades in effect on or after the date of the Agreement (collectively referred to as "Force Majeure Events").

12.2. The impacted Party must promptly notify the other Party in writing upon the occurrence of any Force Majeure Event and must make all reasonable efforts to address its inability to perform and minimize the impact of the Force Majeure Event.

13. ADDITIONAL / LEGISLATION

13.1. Seller and Buyer are independent contracting parties. The Agreement does not establish any agency, joint venture, partnership, or similar relationship between them. Neither Party has the authority to assume obligations on behalf of the other Party or bind them to any contract with a third party.

13.2. If any provision of the Agreement is found invalid, illegal, or unenforceable in any jurisdiction, it does not affect the validity of other provisions.

13.3 Amendments to the Agreement require written consent from authorized representatives of both Parties.

13.4. No waiver of Agreement provisions is effective unless explicitly written and signed by the waiving Party.

13.5. Buyer cannot assign rights or delegate obligations under the Agreement without Seller's prior written consent.

13.6. Buyer agrees to fulfill its obligations in compliance with STM Riduttori Requirements.

13.7. The Seller may choose to initiate legal proceedings related to the terms of sale and contract conditions in any magistrates court in the Republic of South Africa. South African law applies to all tenders and orders.



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