



STANDARD TERMS AND CONDITIONS OF SALE

1. DEFINITIONS

In terms and conditions, all references to "the Company" are to TEACO Lasers and all references to "the Purchaser" are to the person, company or institution by whom the order is placed, all references to "the Parties" are to the Company and the Purchaser, all references to "the technology" are to the information used in the development and production of the equipment, including without limitation, the information comprised in software and documents such as blueprints, manuals, and diagrams; various concepts, ideas, methods, methodologies, procedures, processes, know-how, and techniques which the Company has created, acquired or otherwise has rights in, all references to "the Price" are to the price as set out in the quotation and all references to "the equipment or deliverable" are to the equipment or deliverable supplied by the Company to the Purchaser under the terms of the order between them.

2. GENERAL CONDITIONS

All equipment or deliverables furnished by the Company are sold and delivered to the Purchaser pursuant to the terms and conditions set forth herein. Notwithstanding any terms or conditions included on the Purchaser's order or any other Purchaser-issued form, the Company's Quotation and performance of the contract with the Purchaser are expressly conditioned upon the Purchaser's agreement to the following terms and conditions, unless otherwise agreed to in writing by the Company. In the absence of such an agreement, commencement of performance and/or delivery by the Company shall not be deemed or construed to be a waiver by the Company of any of the terms and conditions contained herein, or as acceptance of any of the Purchaser's terms and conditions. If a contract is not earlier formed by mutual agreement of the Company and the Purchaser in writing, acceptance of any equipment or deliverables by the Purchaser shall be deemed acceptance of the terms and conditions stated herein.

3. SALE OF EQUIPMENT OR DELIVERABLE

The Company sells to the Purchaser, which purchases the equipment or deliverable for the price as set out in the Quotation.

4. PRICES AND QUOTATIONS

Quotations indicate the prices at which the Company would be willing to supply the equipment or deliverable, if a written order is placed within the period of validity of the quotation. Thereafter, the Company reserves the right to revise all or any part of the quotation. Any order placed based on a quotation is only binding on the Company when it has been confirmed to the Purchaser on an official Company order acknowledgement form. Any clerical errors on either the quotation or official order acknowledgement are subject to correction.

5. DELIVERY TERMS

- a. The delivery date, as specified in the Quotation, is an estimate only made at the time of quotation and is not binding on the Company unless otherwise expressly agreed in terms of a specific contract. In any event the Company shall not be under any liability to the Purchaser for non-delivery or delay in delivery caused by strike, lockouts, statute, outbreak of hostilities, act of God, national calamity or any other like causes beyond the control of the Company.
- b. Prices quoted to the Purchaser, including accredited agents, are free on board (FOB) at Johannesburg International Airport where applicable. Risk of loss of the equipment or deliverable shall pass to the Purchaser at such FOB point, and delivery to the Purchaser shall be deemed complete. All freight, packing, insurance and other shipment charges thereafter are extra. Installations, where required, will also be extra.
- c. If the equipment or deliverable has not been received within 30 days of the receipt of the relevant invoice, then it is the responsibility of the Purchaser to advise the Company accordingly.
- d. In the event that the Company incurs any additional costs due to the inability of the Purchaser to accept delivery of the equipment or deliverable or to permit standard and unrestricted installation of same, when installation is required by the Purchaser, such additional costs immediately shall be reimbursed to the Company by the Purchaser.

6. OWNERSHIP

- a. Ownership and title in the equipment or deliverable shall remain with the Company until the Company has received payment in full for the equipment or deliverable and all other

amounts arising and/or due to the Company by the Purchaser.

- b. Until ownership passes to the Purchaser, the Purchaser (this does not apply to accredited agents) shall not be entitled to sell, transfer, lease, assign, by way of security or otherwise, the equipment or deliverable or encumber the equipment or deliverable by way of pledge, lien, hypothec or bond or modify, alter or add to, or move the equipment or deliverable.
- c. If the Purchaser (this does not apply to accredited agents) sells the equipment or deliverable before making payment in full to the Company, the beneficial entitlement of the Company shall attach to the proceeds of such sale or to the claim for such proceeds.

7. TERMS OF PAYMENT

- a. The Purchaser shall pay to the Company the Price on the date/s specified in the Quotation.
- b. Payment is to be made in US Dollars, unless otherwise agreed in writing.
- c. Where the Company with the agreement of the Purchaser makes part-deliveries of equipment or deliverable, then items of payment as in (a) and (b) above will also apply to the equipment or deliverables included in the part-delivery.
- d. The Purchaser shall in addition to the Price, be liable for any Value Added Tax, all other taxes, duties, export fees, tariffs, rates, or governmental levies imposed in respect of the Equipment.
- e. All payments shall be made free of set-off, bank exchange, commission or any other deduction to the Company and the Purchaser shall have no right to defer, adjust or withhold any payment due to the Company.
- f. No payment by the Purchaser, or acceptance by the Company, at any time of a lesser amount than shall be due from the Purchaser, or pursuant to a qualified endorsement, shall be treated other than as payment on account.
- g. Without prejudice to any other rights of the Company, the Company reserves the right to charge interest on overdue accounts to an annual rate of five percent above the ruling South African Reserve Bank base rate.
- h. If the Company considers, at its discretion, the financial circumstances of the Purchaser do not justify the agreed terms of payment, it shall be entitled, by notice in writing to the Purchaser, to require payment before delivery for all equipment or deliverable remaining to be delivered under the contract.

8. CANCELLATION OR RE-SCHEDULING

a. Cancellations

In the event of the cancellation of an order by the Purchaser, the Purchaser shall pay the Company all costs and expenses incurred by the Company prior to its receipt of the cancellation notice, including costs and expenses incurred for labour, supplies and material, engineering work, pertinent overhead expenses and all commitments made to the Company's suppliers, subcontractors and others. The Company further reserves the right to make a cancellation charge of up to fifty percent of the order value; provided, however, in no event shall the aggregate cancellation charges exceed the value of the order cancelled.

b. Re-scheduling

Should there be a significant re-scheduling of any order by the Purchaser, the Company reserves the right to make a re-scheduling charge, which will be calculated at a rate of up to six percent above the South African Reserve Bank base lending rate on the value of the order. This will be charged in addition to the original Price of the order.

9. TERMINATION

- a. The Company shall have the right to terminate the contract at any time upon occurrence of any of the following events:
 - i. If the Purchaser makes, or offers to make, any arrangements or composition with creditors, or commits any act of bankruptcy or becomes insolvent or bankrupt or is sequestrated or if any diligence, distress or execution is levied upon the property or assets of the Purchaser.
 - ii. If the Purchaser is a Company and any resolution is passed or an order made by a court that the Purchaser is wound up (save for the purpose of amalgamation or reconstruction) or a receiver, manager or judicial factor is appointed on the Purchaser's undertaking, property or assets or any part thereof.
 - iii. If the Purchaser materially breaches any covenant or obligation under the contract and/or these terms and conditions.
- b. In the event of any such termination, the Company shall be entitled to pursue any and all remedies available to it, at law or in equity.

10. LIMITATION OF LIABILITY AND WARRANTIES

- a. The Company guarantees:

- i. The equipment or deliverable forming the subject to the contract/quotation against defective materials or workmanship for a period of one year from the date of the delivery to the Purchaser.
 - ii. In the case of sub-assemblies of equipment not manufactured by the Company, but incorporated in the equipment or deliverable ordered, the Purchaser will be entitled only to the benefit and/or limitations or any guarantee given by the makers of such assemblies.
 - iii. In no event shall the Company be liable for any loss or damage arising from failure of the Purchaser to operate the system or utilise the equipment or deliverable in the prescribed manner set out in the operating manuals or reports.
 - iv. Notwithstanding any provision of the contract to the contrary, to the extent permitted by applicable law and regardless of form or cause of action, whether in contract or delict or for restitution, in no event shall (1) the Company be liable under warranty or any other part of the contract for any special, consequential, indirect or incidental damages, even if the Company was advised, knew or should have known of the possibility of such damages; and (2) the Company's aggregate liability under the contract exceed the purchase consideration paid by the Purchaser for the equipment or deliverable to which the claim relates. Such limitation of liability shall apply even if the loss or damage arises out of negligence on the part of the Company, its employees, agents or sub-contractors, provided that the Company shall incur no liability whatsoever unless written notice of the claim is served on it within twelve (12) months of the date that the Purchaser became aware of the claim or ought reasonably to have become aware thereof.
 - v. At the end of the one-year warranty period referred to herein, all claims upon and all liability from failure shall be absolutely at an end.
 - vi. The Company acknowledges and agrees that it in no way is attempting to exclude or limit its liability for personal injury or death arising from its negligence, for fraud, or for any matter for which it would be illegal to exclude or attempt to exclude or limit its liability to the Purchaser, the Purchaser's customers or any third party. The Purchaser acknowledges and agrees that the foregoing is fair and reasonable considering the commercial circumstances.
- b. The Company warrants:
 - i. The equipment or deliverable conforms to specifications confirmed in writing at the time of order acknowledgement on delivery. If delivery does not result due to lack of conforming, in no event will the Company be liable for any loss or damage arising from lack of delivery of the equipment or deliverable.
 - ii. Except as expressly set forth herein, no other warranties, express, implied or statutory, including any implied warranty of merchantability or of fitness for a particular purpose, shall be applicable to any equipment or deliverable sold hereunder.
 - iii. The Company's general policy does not recommend the use of its products in life support applications wherein a failure or malfunction may directly threaten life or injury. The user of the Company's products in life support applications assumes all risk of such use and indemnifies the Company against all damages arising therefrom, without limitation.
 - c. The Purchaser warrants:
 - i. That they will examine and list all parts of the equipment or deliverable supplied by the Company and notify the Company in writing of any shortage, defect or failure to comply with the contract, that is or ought to be apparent upon such examination and test, within 48 hours of the equipment or deliverable being delivered to or collected by the Purchaser.
 - ii. That the equipment or deliverable will be operated in accordance with the instructions and advice detailed in the appropriate operating instruction manual, or any other instructions that may be provided by the Company. The Company shall not be held responsible for any defect arising from the Purchaser's failure to comply with these recommendations and instructions or from damage arising from negligence or exposure to adverse environmental conditions.
 - d. The warranty is effective only if:
 - i. The equipment or deliverable has been paid for in accordance with the normal payment terms, as set out in 6(a) and 6(b). Any variation in this clause must be agreed in writing.

- ii. Any defects in the equipment or deliverable supplied are immediately brought to the attention of the Company by the Purchaser.
- iii. Unless otherwise agreed to in writing by the Company, the equipment or deliverable is returned to the Company at its Pretoria (R.S.A) premises, transportation and insurance prepaid, and undamaged by the failure to provide sufficient packaging.
- e. The warranty covers:
 - i. Engineer's time costs during inspection and repair.
 - ii. Any materials or components, which require replacement.
 - iii. Return transportation cost to the Purchaser.
- f. However, if the Purchaser requests a service engineer to carry out the necessary inspection and repair of equipment covered by the warranty on site, the Purchaser will be liable at the Company's discretion for:
 - i. Engineer's travelling time cost.
 - ii. Engineer's travelling and accommodation expenses.

The timing of the inspection and repair of the equipment or deliverable will be determined entirely at the discretion of the Company.
- g. The foregoing are the Company's sole and exclusive obligations and the Purchaser's sole and exclusive remedies on account of any equipment or deliverable that does not conform to the express warranties set forth herein.

11. INDEMNITIES

The Purchaser hereby indemnifies and holds harmless the Company from and against any and all claims, demands, actions, suits, proceedings, losses, damages, costs and expenses (including but not limited to attorney's fees on an attorney and own client scale) arising out of the equipment or deliverable not being fit for the Purchaser's needs and/or arising out of the failure by the Purchaser to fulfil any of its obligations in terms of this contract, its negligence or its failure to comply with applicable law.

12. INTELLECTUAL PROPERTY RIGHTS

All intellectual property rights including, but not limited to, copyrights, trademarks, patent rights, trade secrets and know-how relating to the equipment or deliverable, any technology provided to the Purchaser and any documentation provided to the Purchaser, whether pre-existing or arising in the future, shall at all times remain the sole property of and vest in the Company.

13. TECHNOLOGY

- a. The Company grants to the Purchaser a non-transferable, non-sublicense able personal, non-exclusive limited license to use the technology provided with the equipment or deliverable solely for the purposes of the Purchaser's operation of the equipment or deliverable, which license will endure for the life of the equipment or deliverable unless earlier terminated by the Company due to the Purchaser's failure to comply with the terms of the license grant.
- b. The Purchaser shall not be entitled to sell, transfer, disclose, license, copy, translate, modify, adapt, decompile, disassemble or reverse engineer the technology.
- c. The technology is and will remain the exclusive property of and proprietary to the Company and the Purchaser shall have no right, title, or interest therein except as expressly set out herein.

14. ARBITRATION

- a. Any dispute arising out of or in connection with this contract, including any question regarding its existence or validity shall be referred to and finally resolved by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one (1), and the Parties shall jointly appoint such arbitrator in accordance with the Rules. The seat, or legal place, of arbitration, shall be Pretoria South Africa. The language to be used in the arbitral proceedings shall be English. The arbitration award shall be final and binding upon the Parties, their successors and assigns and may be entered into any court of competent jurisdiction.
- b. This clause shall not preclude any Party from obtaining interim relief or other relief on an urgent basis from a court of competent jurisdiction as contemplated in 15.
- c. In the event of any arbitration or other legal proceedings hereunder, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and expenses in enforcing its rights under the contract.

15. EQUITABLE RELIEF

The Purchaser acknowledges that any breach of this contract by the Purchaser will be deemed to cause

the Company irreparable harm for which damages are not an adequate remedy. Accordingly, the Purchaser agrees that in the event of any such breach or threatened breach by the Purchaser, the Company, in addition to other remedies at law or in equity that it may have, shall be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including without limitation, injunctive relief or specific performance or both.

16. EXPORT CONTROLS

The Parties understand that confidential and proprietary information disclosed pursuant to this contract may be subject to South African and International export control laws and that each Party is responsible for its compliance with such laws.

17. GENERAL

- a. This contract constitutes the entire contract between the Parties with regard to the subject matter thereof.
- b. No alteration or variation to, or consensual cancellation of this contract shall be of any force or effect, unless it is recorded in writing and signed by both the Parties.
- c. No failure by a Party to enforce any provision of this contract shall constitute a waiver of such provision or affect in any way a Party's right to require performance of any such provision at any time in the future, nor shall the waiver of any right arising from any subsequent breach nullify the effectiveness of the provision itself.
- d. No Party may assign or transfer the contract, or any of its rights or obligations thereunder, without the prior written consent of the other Party; provided, however, the Company may freely assign the contract, or any or all of its rights and/or obligations thereunder, to an affiliate, or pursuant to a merger, consolidation or similar business combination that results in a change of control of the Company, or to an acquirer of substantially all of the assets of the Company, and in connection with any such assignment, each party hereto acknowledges and agrees that the assignee shall assume any such assigned right or obligation and the Company shall have no further obligation or right with respect thereto and, for clarity, the Company shall be fully released from any such assigned obligation. The Company reserves the right, in its sole discretion, to subcontract or delegate any of its duties under the contract, provided, the Company shall remain liable to the Purchaser for the acts and omissions of any such subcontractor or delegate.

- e. In the event any provision of the contract is invalid as applied to any facts or circumstances, its invalidity shall not affect the validity of the other provisions or of the same provision as applied to any other facts or circumstances.
- f. The Parties shall each pay their own costs of negotiating, drafting, preparing and implementing this contract and the appendices to it.
- g. The contract shall be governed and interpreted in accordance with the laws of the Republic of South Africa. Specifically excluded are the provisions of the UN Convention on the International Sale of Goods (1980) and the UN Convention on the Limitation Period in the International Sale of Goods, as Amended by Protocol.
- h. Each Party acknowledges that it does not enter into this contract on the basis of and does not rely on any representation, warranty or other provision, whether expressed or implied, except as expressly provided in this contract. All conditions, warranties or other terms implied by statute or common law are excluded to the fullest extent permitted by the law of the Republic of South Africa.
- i. The Parties acknowledge that the agreement as set out herein will only come into force when this document has been signed by the Parties.