

# CONTRACT FOR THE MANUFACTURE AND SALES OF GOODS

This Contract for The Manufacture and Sales of Goods (the "Sales Contract") is made on \_\_\_\_\_

**BETWEEN:** **DRYERS FOR AFRICA** (the "Seller"), a corporation organized and existing under the laws of the Republic of South Africa, with its head office located at:

10 Katoen Street, R40 to White River, Msholzi, 1240, Mpumalanga, South Africa

**AND:**

\_\_\_\_\_  
(the "Buyer"), a corporation with its head office located at:  
\_\_\_\_\_

## 1. DESCRIPTION OF MANUFACTURE AND SALE

Seller agrees to manufacture and sell to buyer the goods listed on final quotation reference QUO \_\_\_\_\_ and will be referred to as the "goods".

## 2. PAYMENT

All equipment quotations are valid for a period of 30 days unless indicated otherwise. Freight estimates and currency exchange rates, obtained by the seller on behalf of the buyer are valid for a period of 14 days and will be revised once the order has been confirmed. Currency exchange rates will be amended accordingly.

In accordance with regulations, VAT will be reflected on all sales documentation. Refer to Section 3 for VAT requirements.

The seller is registered as an exporter and importer within the Republic of South Africa with additional registration for trade under the following trade agreements

- Generalised System of Preferences (GSP) only applicable to the European Union, Norway, Russia or Turkey
- Southern African Developing Countries (SADC) only applicable to Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe

Goods remain property of Dryers for Africa until settlement of account. User manuals & visual aids will only be released on full settlement of account. Failure to settle outstanding accounts within the payment terms selected will result in interest at a rate of 7,5% per month on the outstanding amount. Discounts cannot be allocated to accounts not settled within the terms nor can discounts be negotiated after the quotation has been accepted.

All airfares, accommodation & labour for installation & commissioning are excluded unless specified and cannot be accurately quoted for and will be reconfirmed on order. Applicable ticket changes and visa delay fees will be billed accordingly and included in the final invoice.

All additional costs (i.e. transport, installation, etc) shall be payable by the buyer to the seller in advance, no later than 3 days prior to the costs being incurred.

The seller shall be entitled to, but not obliged, to request the buyer to provide a guarantee for any portion of the purchase price not immediately payable.

A number of approved options have been listed and following the necessary negotiations between both parties, will be actioned accordingly;

**Option A:**


Buyer agrees to pay for the goods as follows:

Deposit (60% Equipment, 100% freight) within 7 days after execution of this agreement; balance within 7 days after seller notifies buyer of opportunity to inspect and seller's intent to make delivery or upon buyers collection.

Preferred transportation terms must be specified and compensation arranged on the day of execution of this agreement.

Cash deposit fees are not included on quotations. All cash deposit fees will be included on the final invoice.

SADC Certificate Required?

 YES

 NO

Documents listed in Section 3 for Indirect Exports Required

**Option B: (Pre-authorized and supporting documentation submitted)**


Cash deposit fees are not included on quotations. All cash deposit fees will be included on the final invoice.

1<sup>st</sup> Payment (with purchase Order) %

Amount \_\_\_\_\_

Date: \_\_\_\_\_

2<sup>nd</sup> Payment %

Amount \_\_\_\_\_

Date: \_\_\_\_\_

Final Payment %

Amount \_\_\_\_\_

Date: \_\_\_\_\_

### 3. TRANSPORTATION

Indirect Export:

An indirect export is where the buyer removes or arranges for the removal and transportation of movable goods purchased from the seller. The seller may, in certain circumstances, elect to supply movable goods to a qualifying buyer at the zero rate. This option may only be elected where the seller is able to ensure that the goods are delivered to a harbour or airport, which is a "designated commercial port", from where those goods will be exported by the qualifying buyer.

The buyer must provide the following documents before collection can take place:

- i) A copy of the buyer's passport or trading license, or of the passport and the relevant authorization letter;
- ii) The buyer's order; and
- iii) Proof of payment for the movable goods by the buyer.

The seller will charge VAT at the standard rate should the above not be received. Where VAT at 14% has been charged, the buyer may apply to the VRA (VAT refund administrator) for a VAT refund.

In order to apply the zero rate, the seller must either –

- physically deliver the goods to the buyer, the buyers duly appointed agent or the buyers customer at an address in an export country ("deliver"); or
- obtain the services of a cartage contractor who is contractually obliged to deliver the goods on behalf of the seller to the buyer, the buyers duly appointed agent or the buyers customer at an address in an export country ("consign"). The cartage contractor is a person whose activities include the transportation of goods and includes couriers and freight forwarders. The cartage contractor must invoice the seller, being the person who is liable for payment of the full costs of the delivery services rendered.

Direct Export:

Initial if selected

On acceptance the seller will provide additional services as Logistic Assistance Provider, and shall have the following responsibilities:

- (a) Obtain quotations for the complete delivery of the goods listed in the manufacturing agreement;
- (b) Booking, routing and dispatch of the buyer's cargo;
- (c) Preparation and management of shipping documentation, including documentation necessary to effect importation into the destination countries and release of cargo;
- (d) Coordination with other buyer service providers in the importation process; and
- (e) Such other tasks as may be reasonably necessary to effectuate the safe, expeditious, and efficient flow of buyers import goods and related documentation.

Freight fees, inclusive of applicable insurance, unless indicated otherwise, and inspections, to the provided destination or closest agreed on alternative will be based on quotations received from logistic service providers. These quotations are liable to change without prior notice. These quotations will be calculated in ZAR or USD with the current rates reflected.

#### **4. DELIVERY SCHEDULE**

Seller shall commence to manufacture within 1 week following receipt of buyer's initial deposit, completed documentation and purchase order. Seller will complete such manufacturing and make the goods available for inspection at seller's plant on a date to be determined. If buyer's inspection discloses defects or adjustments, seller shall have a reasonable time to correct such defects and make such adjustments as are necessary. Buyer shall then have an opportunity to make a final pre-shipment inspection. Seller shall within 7 days of inspection cause the goods to be appropriately packaged and shipped to the address specified by buyer. Seller shall pay all expenses of packaging and preparations for shipment and buyer shall pay all costs of shipment, including insurance on both seller's and buyer's respective interests. Wavering the inspections by the buyer will be accepted as final acceptance of the goods for shipment and no claims can be made there after.

Delivery is between estimated at 4-6 weeks from receipt of purchase order or signed quotation, completed and signed agreement & proof of payment. Failure to fully complete and submit all listed documentation will indemnify Dryers for Africa from any unforeseen expenses related to delays in manufacturing, assembly, delivery, transportation, customs clearance (where applicable) and other unspecified events.

Where short notice orders are received, Dryers for Africa will make every effort to assist with the completion of the received order but does not accept any responsibility for any subsequent delays or failure to meet deadlines.

Installation dates are to be confirmed 4 weeks before the departure from South Africa by the technical crew.

Where necessary and if possible, Dryers for Africa will try to accommodate successive installations within a certain period. The authorisation is based on flights and staff availability.

#### **5. EXCUSE FOR NONPERFORMANCE**

Seller's obligations under this agreement are accepted subject to strikes, labour troubles (including strikes or labour troubles affecting any suppliers of seller), floods, fires, acts of God, accidents, delays, shortage of cars, contingencies of transportation and other causes of like or different character beyond the control of seller. Impossibility of performance by reason of any legislative, executive or judicial act of any governmental authority shall excuse performance of or delay in performance of this agreement.

#### **7. ADDITIONAL TERMS & CONDITIONS**

Warranty: 6 months for faulty materials and workmanship, but excludes electrical components damaged by under/over/lightning voltage, and normal wear and tear.

Supply cable and installation thereof not included unless specified.

#### Domestic Flights:

In the case of domestic travel within the country of installation, travel in excess of 200km by car, requires domestic flights.

Airport nearest to installation site: \_\_\_\_\_

#### Installation Requirements:

- a. Technicians will not be dispatched until proof of accommodation, meals and transfer arrangements has been received.
- b. A certified electrician is to be on site for the duration of the installation.
- c. Meals for the duration of the installation are for the buyers account unless indicated otherwise. 3 Meals per day are to be provided.
- d. Site times are calculated at 8 hours, excluding an hour for tea/lunch. Times are to be adhered to unless the Senior Technician indicates otherwise. Failure to prepare the site, resulting in deviations from the times will be penalised.
- e. Transfers from the airport, to accommodation, to site and to the airport is for the buyers account. Unsuitable transfer arrangements can be declined by the Senior Technician if there are concerns for safety. Any delays due to inadequate travel arrangements will be billed accordingly and additional expenses incurred will be for the Buyers account. **ONLY** enclosed, roadworthy and safe passenger vehicles are to be utilised when transporting technicians.
- f. Travel times between accommodation and site, in excess of 60 minutes (one way) must be disclosed. This will affect installation times.
- g. Intentions to install units further than 15m from the power source must be disclosed. Failure will result in installation delays and will affect the duration of stay.
- h. Units not at final location at the time of arrival of the technicians, causing delays in installation will be penalised. Delays affecting the duration of the stay will be billed accordingly.
- i. Training will be provided AFTER the unit/s have been installed and tested by our technicians. The Senior Technicians reserves the right to deny training during installation. Distractions will cause possible delays to the installation agreement.
- j. If adequate raw materials are available at the time of installation, ensure that at least 10% of the dryer input capacity is available, with labour to load, for drying trial.

#### Installation Requirements based on dryer type:

- a. Electric Conversion
  - a. 50mm 4core + Earth (Main Cable)
  - b. 5 x 16mm Crimping Lugs
  - c. Gland for main cable
  - d. 160Amp 3 Phase + Neutral + Earth Circuit Breaker
  - e. Level cement base / floor
  - f. Cover against elements if positioned outside
  
- b. Gas Conversion
  - a. 4mm 4core + Earth (Main Cable)
  - b. 5 x 4mm Crimping Lugs
  - c. Gland for main cable
  - d. 25Amp 3 Phase + Neutral + Earth Circuit Breaker
  - e. Pressure gauge after slam shut valve will be 30-40mbar. DFA will provide 0-100mbar gauge
  - f. 8mm Diameter gas hose – length to be determined
  - g. 6-17mm Hose clamp
  - h. Level cement base / floor
  - i. Cover against elements if positioned outside

- c. Biomass Conversion
  - a. Water connection to fill tank with adequate pressure
  - b. Biomass for burning
  - c. 4mm 4core + Earth (Main Cable)
  - d. 5 x 4mm Crimping Lugs
  - e. Gland for main cable
  - f. 25Amp 3 Phase + Neutral + Earth Circuit Breaker
  - g. Level cement base / floor
  - h. Cover against elements if positioned outside
  
- d. Boiler (Already on Site)
  - a. Make and model of boiler
  - b. Wiring diagram
  - c. Recent images of unit
  - d. All connection points
  - e. Manufactures Certificate of unit
  - f. 4mm 4core + Earth (Main Cable)
  - g. 5 x 4mm Crimping Lugs
  - h. Gland for main cable
  - i. 25Amp 3 Phase + Neutral + Earth Circuit Breaker
  - j. Level cement base / floor
  - k. Cover against elements if positioned outside

Note that electrical cable specifications are based on a max. of 25m from Client Distr. Board to our control panel.

## 8. ENTIRE AGREEMENT

The parties agree that this constitutes the entire agreement and there are no further items or provisions, either oral or otherwise. Buyer agrees that it has not relied upon any representations of seller as to prospective performance of the goods, but has relied upon its own inspection and investigation of the subject matter.

The parties declare that the laws of the Republic of South Africa shall apply to dispute relating to this agreement and agree to the jurisdiction of the Magistrate's Courts.

### SELLER

### BUYER

\_\_\_\_\_  
 Authorised Signature

\_\_\_\_\_  
 Authorised Signature

\_\_\_\_\_  
 Print Name and Title

\_\_\_\_\_  
 Print Name and Title

### COMPANY STAMP

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**COMPANY INFORMATION**

The below section must be accurately completed. This information will be reflected on all account and shipping documentation. Failure to provide this information will result in shipping delays, customs penalties and additional expenses.

Organisation Name: \_\_\_\_\_

VAT / Tax Identification Number: \_\_\_\_\_

Authorised Representatives:

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Mobile/s: \_\_\_\_\_

Office: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Mobile/s: \_\_\_\_\_

Office: \_\_\_\_\_ Title: \_\_\_\_\_

Postal Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Physical Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Physical Address of Equipment: (Multiple addresses must be listed with equipment on an additional page)

\_\_\_\_\_  
\_\_\_\_\_

Co-ordinates of Site:

- Apple - <https://itunes.apple.com/za/app/where-am-i-at/id389894248?mt=8>
- Android - <https://play.google.com/store/apps/details?id=com.admapps.whereamiatnew&hl=en>
- Google - <https://whereamirightnow.com>

Clearing Agent (International Clients Only)

Organisation: \_\_\_\_\_

Authorised Representative: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Office: \_\_\_\_\_

Mobile/s: \_\_\_\_\_