



TERMS AND CONDITIONS OF SALE

The following are the terms and conditions ("Terms and Conditions") for the sale of products ("Products") and services ("Services") by Drug Testing Africa (DTA) to their respective customers ("Customers") also referred to as buyers ("Buyers").

1. ACCEPTANCE AND CANCELLATION OF ORDERS

All orders are subject to acceptance in writing by DTA or a duly authorized agent of DTA. Any written acknowledgement of receipt of an order shall not, in and of itself, constitute such acceptance. Orders accepted by DTA may be cancelled by Customer upon written consent of DTA provided such order is not "NC/NR" or "Non-Cancelable/Non-Returnable", "Non-Standard Products" or governed by a contract or Purchase Agreement Letter. Non-Standard Products are defined as Products that are special orders, custom orders, and orders for non-standard products, products not customarily in stock or orders for value-added products. Non-standard products are non-cancelable and non-refundable. In the event of cancellation or other withdrawal of an order for any reason, and without limiting any other remedy which DTA may have as a result of such cancellation or other withdrawal, reasonable cancellation or restocking charges shall include all expenses incurred and commitments made by DTA, and shall be paid by Customer to DTA. Customer requests to reschedule are subject to acceptance by DTA in its sole discretion. Orders may not be canceled or rescheduled after the order has been submitted by DTA to the shipment carrier. DTA reserves the right to allocate sales and limit quantities of selected Products among its customers in its sole discretion. Product specifications and availability are subject to change without prior notice.

1a. Warranty, duties of the buyer upon defects reported by the buyer, compensation for expenditure, liability

Any warranty claims of the buyer rest on the assumption that the buyer has met the buyer's legal and statutory duties to inspect and report defects without fail. This also applies when the buyer sells on the object of sale. Obvious defectiveness or incompleteness of the goods have to be communicated to DTA in writing within 2 weeks after the goods or services have been delivered, specifying the fault in detail and quoting the invoice number. Receipts, samples, packing slips and/or defective goods have to be returned if so requested by DTA. All claims of the buyer due to defectiveness or incompleteness are expressly excluded if the buyer does not meet this duty. Latent defects of quality must be objected to without undue delay after their discovery. If an inspection of goods was carried out, claims involving defects which could have been detected during inspection are excluded.

Liability for a specified purpose of use or any specified suitability shall only be assumed to the extent that the latter is agreed as such expressly and in writing. In all other aspects, the suitability and application risk is the sole responsibility of the buyer. The buyer is obliged to guarantee compliance with the basic technical conditions specified in the documentation and/or supplementary documents. Any other type of use is prohibited. The buyer shall impose these and any other restrictions of use stipulated by the seller to subsequent buyer.

Warranty claims for used objects of sale are excluded completely unless liability for defects has been agreed expressly and in writing.

The object of sale is not considered defective if the buyer uses products supplied by us in a functional connection with product

components already available or purchased from third parties, providing the defect was caused by components supplied by DTA or a lack of compatibility thereof. If DTA has provided express written assurance that the object of sale is compatible with external products, this assurance only relates to the product version current at the moment the assurance was made, and not to earlier or later product versions. An object of sale is not considered defective if a defect results from the fact that the buyer has not ensured compliance with the basic technical conditions specified in the documentation and/or supplementary documents. If the buyer instructs DTA to rectify such defects, the buyer shall absorb the resulting costs at DTA's current applicable rates. The buyer shall also indemnify DTA from any claims for compensation made by third parties in such cases. The buyer shall bear the burden of proof that violation of the provisions in the contract was not the cause of the damage when the product supplied by DTA was used.

The buyer remains solely responsible, in particular for natural wear of the object of sale, incorrect or negligent use, modifications, storage condition, incorrect consultation or instruction from the buyer or third parties, excessive loads, unsuitable operating resources, unsuitable installation site, in particular supporting ground under the object, an unstable or unsafe power supply, chemical, electrochemical or electrical influences, storage conditions, weather or other natural influences.

If consumables are found to be defective, the materials shall be set aside immediately in the condition they were in when the defect was discovered and retained for DTA's further inspection. Otherwise they shall be considered accepted by the buyer in the condition in which they were delivered without further liability on DTA's part.

Should delivery items prove to be defective, it is our choice to remedy the fault subsequently by repairing the defective item or supplying a non-defective replacement. Only if this has failed repeatedly, or if it should prove unreasonable for the customer, or if the defects are of substantial nature, then the buyer is entitled to withdraw from the contract or to deductions in price, as stipulated within the legal framework. Delivery recourse shall not affect the limitation period. The buyer is entitled to compensation only to the extent covered by section below. As for potential repairs or replacements, the warranty period is 3 months as of delivery or execution date and covers at least the expiry date of the warranty period for the original goods or services.

The buyer shall give DTA the necessary time and opportunity to conduct all the remedies and replacement deliveries necessary in agreement with DTA. Otherwise, the buyer shall be exempt of liability for the resultant consequences. The buyer shall bear any additional costs incurred (e.g. overtime premiums, extended journeys, etc.) for the express deployment of a technician or work performed outside of normal working hours at the specific request of the buyer.

Parts replaced as a result of subsequent repairs become DTA's property. DTA shall only be liable for replacement parts in accordance with the existing delivery and sales conditions, more specifically the conditions included in these terms and conditions.

The buyer must inform us immediately of any report of defects submitted by his customers on DTA's goods or services. In case the buyer does not meet the buyer's obligation, the buyer is not entitled to warranty claims. The buyer must also secure evidence in suitable form and has to grant DTA the opportunity to verify this claim.

Unless explicitly authorized by DTA, the buyer's advertising statements, whether to the buyer's customers or in the buyer's advertising material, do not constitute the right to warranty claims against DTA.

Warranty claims due to defects expire within 12 months as of passage of risk. Legal claims expire accordingly. Intentional breaches of duty, breaches resulting from gross negligence, lack of guaranteed characteristics, assumption of procurement risks and personal

injury shall be governed by the statutory limitation periods.

A term of exclusion of 6 months applies for all claims that are not subject to a statute of limitations because of a defect. This term begins from the moment when the damage is discovered and the party causing the damage is known. This does not apply for compensation claims resulting from an intentional failure to fulfill obligations or gross negligence.

If the buyer returns an object of sale to have it repaired, and if DTA then establish the claim to be unfounded and warranty claims not applicable, DTA shall ask the buyer to collect the returned item within 4 weeks after notification or to let DTA know in writing whether the inspected item should be returned or repaired. DTA also inform the buyer that lack of written communication within this given period of time will result in us being entitled to scrap the item at the buyer's expense. Shipment and repair of the object of sale are at the buyer's expense in cases of unwarranted claims.

Any further liability with regards to claims for compensation, other than provided for in the preceding sections, is excluded, regardless of the legal nature of the claim. This applies in particular to claims for compensation for culpability at the time the contract is signed resulting from other breaches of duty or tortious compensation claims for damages. This limitation also applies providing the buyer requests expenses without substitution in place of services instead of a claim for compensation. Any further liability due to maliciously concealed discrepancies remains unaffected.

The preceding regulations also apply in the event of a violation of the product monitoring obligation. The normal service life of products supplied by DTA depends on the completion of the tasks listed in the documentation and/or the service supplementary documents.

The preceding liability limitations also apply to the benefit of DTA's statutory representatives, agents, employees, commercial agents and other servants and/or assistants, depending on the reason and extent.

2. PRICES

Orders are billed at the prices in effect at the time of order placement. Prices will be as specified by DTA and will be applicable for the period specified in DTA's quote. If no period is specified, quoted prices will be applicable for thirty (30) days. If Customer does not purchase the quantity upon which quantity prices are based, Customer will pay the non-discounted price for the quantity actually purchased and/or a cancellation or restocking fee. Prices are exclusive of taxes, impositions and other charges, including sales, use, excise, value-added and similar taxes or charges imposed by any government authority, international shipping charges, forwarding agent's and broker's fees, bank fees, consular fees, and document fees.

3. TERMS OF PAYMENT

All payments must be made in the currency billed on the original invoice.

Prepaid Wire Transfer/EFT/Proforma: Customers can wire the funds to our bank. After your order is placed DTA will e-mail a Proforma invoice which includes DTA's bank information, the merchandise total, shipping charges. We will reserve stock for your order for 72 hours on orders awaiting funds. Customer is responsible for duties and taxes.

Cash Deposit: Customers can deposit the funds into DTA's bank account. After your order is placed DTA will e-mail a Proforma invoice which includes DTA's bank information, the merchandise total, shipping charges and cash deposit fee. We will reserve stock for your order for 72 hours on orders awaiting funds. Customer is responsible for duties and taxes.

Credit Cards: Customers wanting to pay using the credit card facility can do so using DTA's PayPal account. After your order is placed DTA will e-mail a Proforma invoice which includes DTA's PayPal account information, the merchandise total, shipping charges and credit card fees. We will reserve stock for your order for 72 hours on orders awaiting funds. Customer is responsible for duties and taxes.

Payment by Cheque: it is not DTA's policy to accept cheques as form of payment unless it is a bank guaranteed cheque for the full amount and must be agreed to by DTA in writing.

3.1 TERMS OF PAYMENT

For All Orders

The Customer agrees to pay the entire full amount of each invoice from DTA pursuant to the terms of each such invoice, without offset or deduction. Orders are subject to credit approval by DTA, which may in its sole discretion at any time change the terms of Customer's credit, require payment in cash, bank wire transfer/EFT or by official bank cheque, and/or require payment of any or all amounts due or to become due for Customer's order before shipment of any or all of the Products. If DTA reasonably believes that the Customer's ability to make payments may be impaired or if Customer fails to pay any invoice when due, DTA may suspend delivery of any product and/or service order or any remaining balance thereof, until such payment is made or cancel any order or any remaining balance thereof. Customer will remain liable to pay for any products already shipped, booking/deposit fees for consultancy, testing and/or training services and all Non-Standard Products ordered by Customer. Customer agrees to submit such financial information as DTA may reasonably require for determination of credit terms and/or continuation of credit terms. Any cheque received from Customer may be applied by DTA against any obligation owing by Customer to DTA under this or any other contract, regardless of any statement appearing on or referring to such cheque, without discharging Customer's liability for any additional amounts owing by Customer to DTA. The acceptance by DTA of such cheque will not constitute a waiver of DTA's right to pursue the collection of any remaining balance. Invoices not paid when due will bear interest to date of payment at the annual rate of prime interest plus 4 (four) percent per annum or such lower rate as may be the maximum permitted by law. If Customer fails to make payment when due, DTA may pursue any legal or equitable remedies, in which event DTA will be entitled to reimbursement of costs for collection and reasonable attorneys' fees. A service charge will become applicable and to be paid by the Customer on all returned cheques.

EFT payments are preferred by DTA.

4. SALES TAX

RSA Shipments

When required by law DTA will collect VAT, use, excise, and other taxes that apply to a Customer's shipment. These taxes are in

addition to the purchase price of the Products subject to an order. Customer will remit the correct tax.

INTERNATIONAL Shipments

All applicable VAT, PST, HST, and/or GST charges along with brokerage fees will be the responsibility of the Customer and due at the time of delivery.

5. DELIVERY AND TITLE

All shipments by DTA are F.O.B. point of shipment from DTA's facilities, and the amount of all transportation charges will be paid to DTA by the Customer in addition to the purchase price of the Products, unless otherwise stated in writing by a DTA authorized representative in writing. Subject to DTA's right of stoppage in transit, delivery of the Products to the carrier will constitute delivery to Customer and title and risk of loss will pass to Customer. DTA will make reasonable efforts to initiate shipment and schedule delivery as close as possible to Customer's requested delivery date(s). Customer acknowledges that delivery dates provided by DTA are estimates only and that DTA will not be liable for failure to deliver on such dates. Selection of the carrier and delivery route will be made by DTA unless specifically designated by Customer. DTA reserves the right to make deliveries in installments. Delay in delivery of one installment will not entitle Customer to cancel any other installment(s). Delivery of any installment of Products within six (6) days after the date the order was confirmed by DTA will constitute a timely delivery. Certain products may require a longer delivery time which will be indicated as an estimate delivery time during the stage of proposal. Delivery of a quantity that varies from the quantity specified shall not relieve Customer of the obligation to accept delivery and pay for the Products delivered.

6. DTA'S LIMITED WARRANTY

7a. PRODUCT COUNTRY OF ORIGIN

DTA maintains Country of Origin information on all products. This information is available to customers upon request.

8. LIMITATION OF LIABILITIES

IN NO EVENT SHALL DTA BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE

including, but not limited to, damages resulting from loss of profit or revenue, recall costs, claims for service interruptions or failure to supply downtime, testing, installation or removal costs, costs of substitute products, property damage, personal injury, death or legal expenses. Customer's recovery from DTA for any claim shall not exceed the purchase price paid by Customer for the goods, irrespective of the nature of the claim, whether in warrant, contract or otherwise. **CUSTOMER SHALL INDEMNIFY, DEFEND AND HOLD DTA HARMLESS FROM ANY CLAIMS BROUGHT BY ANY PARTY REGARDING PRODUCTS AND/SERIVCES SUPPLIED BY DTA AND INCORPORATED INTO THE CUSTOMER'S PRODUCT AND/OR SERVICES.**

10. STATEMENTS AND ADVICE

If statements or advice, technical or otherwise, are offered or given to Customer, such statements or advice will be deemed to be given as an accommodation to Customer and without charge. DTA shall have no responsibility or liability for the content or use of such statements or advice. DTA's Technical support is provided by telephone and in person therefore, extremely limited in scope which

prevents DTA from the direct participation in the design of any customer products.

11. NON-CANCELABLE/NON-RETURNABLE PRODUCTS

From time to time, DTA will notify the buyer of a product that is "NC/NR", (Non-Cancelable/Non-Returnable) upon determining that an order requires such conditions of sale. Irrespective of circumstances, the buyer agrees that "NC/NR" products may not be cancelled, returned or rescheduled by the buyer without the agreement and written consent of DTA.

12. INTELLECTUAL PROPERTY

If an order includes software, policies, educational material, marketing material or other intellectual property, such software, policies, educational material, marketing material or other intellectual property is provided by DTA to Customer subject to the copyright and user license, the terms and conditions of which are set forth in the license agreement accompanying such software, policies, educational material, marketing material or other intellectual property. Nothing herein shall be construed to grant any rights or license to use any software, policies, educational material, marketing material or other intellectual property in any manner or for any purpose not expressly permitted by such license agreement. Unopened software may be returned for credit. Opened software may not be returned unless defective.

13. FORCE MAJEURE

DTA will not be liable for delays in delivery or for failure to perform its obligations due to causes beyond its reasonable control including, but not limited to, product allocations, material shortages, labor disputes, transportation delays, unforeseen circumstances, acts of God, acts or omissions of other parties, acts or omissions of civil or military authorities, Government priorities, fires, strikes, floods, severe weather conditions, computer interruptions, terrorism, epidemics, quarantine restrictions, riots or war. DTA's time for delivery or performance will be extended by the period of such delay or DTA may, at its option, cancel any order or remaining part thereof, without liability by giving notice to Customer.

14. EXPORT CONTROL

DTA is committed to compliance with all Republic of South Africa's Regulations and Laws. DTA will not sell or ship to countries embargoed by the South African Treasury Office of Foreign Asset Control (OFAC). DTA will not sell or ship to individuals or organizations identified by the South African National Treasury as Specially Designated Nationals and Blocked Persons. DTA will not sell or ship products prohibited under Export Administration Regulations to individuals or organizations identified by the South African Department of Trade and Industry (DTI). DTA will not seek export licenses pursuant to Export Administration Regulations. Furthermore, DTA prohibits the re-export, brokering or transshipment of its products to any individual, organization or country prohibited by the OFAC or DTI. The sale, resale or other disposition of Products, and any related technology or documentation, are subject to the export control laws, regulations and orders of the Republic of South Africa and may be subject to the export and/or import control laws and regulations of other countries. Customer agrees to comply with all such laws, regulations and orders. Customer further acknowledges that it shall not directly or indirectly export any Products to any country to which such export or

transmission is restricted or prohibited. Customer acknowledges its responsibility to obtain any license to export, re-export or import as may be required.

15. GENERAL

The Terms and Conditions may not be modified or cancelled without DTA's written agreement. Accordingly, goods furnished and services rendered by DTA are sold only on the terms and conditions stated herein. The sale of Products hereunder will be governed by the Terms and Conditions, notwithstanding contrary or additional terms and conditions in any order purchase order, planning schedule, acknowledgment, confirmation or any other form or document issued by either party affecting the purchase and/or sale of Products. Notwithstanding any terms and conditions on Customer's order, the information and conditions on the Credit Application are controlling over Customer and DTA. Any conflicting statements or terms listed on the Customer purchase orders, invoices, confirmations or other Customer generated documents ("Customer Documents"), whether heretofore or hereafter submitted, are negated by submission of the Credit Application and the issuance of credit by DTA, and all different or additional terms and conditions contained in any Customer Documents are hereby objected to by DTA. DTA's performance of any contract is expressly made conditional on Customer's agreement to DTA's Terms and Conditions of Sale, unless otherwise specifically agreed upon in writing by DTA. In the absence of such agreement, commencement of performance and/or delivery shall be for Customer's convenience only and shall not be deemed or construed to be acceptance of Customer's terms and conditions or any of them. If a contract is not earlier formed by mutual agreement in writing, acceptance by Customer of any goods or services shall be deemed acceptance by Customer of the terms and conditions stated herein. No rights, duties, agreements or obligations hereunder, may be assigned or transferred by operation of law, merger or otherwise, without the prior written consent of DTA. The obligations, rights, terms and conditions hereof will be binding on the parties hereto and their respective successors and assigns. The waiver or breach of any term, condition or covenant hereof, or default under any provision hereof, will not be deemed to constitute a waiver of any other term, condition, or covenant contained herein, or of any subsequent breach or default of any kind or nature. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction, or affecting the validity or enforceability of such provision in any other jurisdiction. The Terms and Conditions will be governed by and construed in accordance with the laws of the Republic of South Africa not excluding the law of the Magisterial and Provincial District of the Western Cape.