

ZUVA PETROLEUM (PVT) LTD
GENERAL TERMS AND CONDITIONS OF PURCHASE
(GOODS AND SERVICES)

1. APPLICATION

- 1.1 These terms and conditions (hereinafter referred to as “the terms” or “these terms”) apply to all purchases of goods or services and/or hiring of goods by Zuva Petroleum (Pvt) Ltd and its parent, subsidiary and associate companies (hereinafter referred to jointly as “the Company”) and any third party (hereinafter referred to as “the Supplier”), whether or not there exists a commercial agreement between the parties.
- 1.2 In the event that there is a commercial or other written agreement besides these terms, and in the event of any contradiction of certain provisions in the respective documents, the hierarchy of application shall be as follows:
 - i. The commercial or other written agreement between the parties;
 - ii. These terms.

2. DOCUMENTATION

During the course of the parties’ transactions with each other, certain documentation in certain formats shall be a pre-requisite. These are detailed as follows:

- 2.1 Purchase Order
 - i. All purchases shall be preceded by a purchase order issued by the company, which shall include the following information:
 - a. Order number
 - b. Description of goods and specifications
 - c. Quantity
 - d. Unit price (including currency)
 - e. Tax component
 - f. Discount (if applicable)
 - g. Delivery address
 - h. Delivery period.
 - ii. The Company may reject any delivery, without liability, in the absence of any reference to a valid order number.
 - iii. Subject to clause 2.2 below, in the event the Supplier has not expressly accepted the purchase order within 48 hours (excluding

the hours from 4:30pm on Friday to 8:00am on Monday) of receipt of same, the Company shall have the option to cancel the order within a further 24 hours thereafter, which cancellation must be communicated in writing.

2.2 Notice of acceptance/rejection of Purchase Order

- i. The Supplier is expected to either accept or reject the purchase order, in writing, within 48 hours of receipt (excluding the hours from 4:30pm on Friday to 8:00am on Monday).
- ii. In the event that the Supplier has not communicated any acceptance or rejection within the said 48 hours, and in the event that the Company has not formally cancelled the purchase order in terms of clause 2.1 iii. above, then the purchase order shall be deemed to have been accepted and the Supplier shall be bound by these terms.
- iii. Upon acceptance of the Purchase order, whether express or tacit, no other terms which the Supplier may wish to incorporate in the transaction(s) shall be of any force or effect unless reduced to writing and signed by both parties.

2.3 Notice of rejection of Goods/Service

- i. The Company shall be entitled, within 30 days of delivery/performance, to reject the goods or services failing which they shall be deemed to have been accepted.
- ii. In the event that the goods or services are rejected, the Company shall issue a written notice to that effect, and include the following:
 - a. Reasons for rejection; and
 - b. Instructions to do any of the following, which shall be effected within seven (7) days of receipt of the notice of rejection:
 - aa. Remove the goods (if applicable), which removal shall be at the Supplier's cost; and refund any monies already paid; or
 - bb. replace the goods so as to remedy any defects; or
 - cc. In the case of services, to refund any monies paid.

2.4 Invoice

All supplier invoices shall:

- i. Not be issued before delivery of goods or services.

- ii. Be valid tax invoices which are compliant with prevailing tax legislation in Zimbabwe, provided that in the case of foreign suppliers a pro forma invoice shall suffice.
- iii. Reflect the Purchase Order number
- iv. Reflect the date of invoice
- v. Reflect the following details of both the Supplier and the Company unless specified otherwise:
 - a. Registered name
 - b. Address
 - c. VAT registration numbers
 - d. Business Partner numbers
 - e. Banking details (Supplier only)

3. DELIVERY

The supplier shall deliver goods in accordance with delivery instructions stated on the Purchase order, and shall meet the following requirements:

- 3.1 Goods shall be securely packaged and meet any applicable packaging standard as may be set by any competent authority from time to time.
- 3.2 Goods shall be labelled to clearly reflect quantities, codes, and any other legally required information for the goods in question, including quality certificates.
- 3.3 Deliveries between the hours of 8:00am and 4:00pm from Monday to Friday (excluding public holidays), failing which the Company reserves the right to reject such delivery without any liability.
- 3.4 In the event that deliveries do not meet the requirements stipulated in this clause 3, then the Company may:
 - i. Agree to take delivery at a later date; or
 - ii. Cancel the order and claim a refund of any monies already paid, which refund shall be effected within seven (7) days of demand.

4. WARRANTIES

By accepting any purchase order, the Supplier warrants that:

- 4.1 It has the necessary experience and know-how to supply the goods and/or services required by the Company, according to legal and Company specifications.

- 4.2 Its operations and the nature of its business as a whole do not contravene any law or regulation or directive issued by any competent authority from time to time.
- 4.3 That it is aware of all relevant Company Policies, including but not limited to SHEQ Policy; Ethics Policy and Anti-money laundering Policy, and shall abide by them.

5. PURCHASE PRICE AND PAYMENT

Unless otherwise agreed between the parties:

5.1 Purchase Price

The purchase price, together with the applicable currency, shall be as stated in the Purchase Order and shall be firm and not subject to adjustment.

5.2 Invoicing and Method of Payment

Payment shall be made by the Company via electronic bank transfer using the Supplier's banking details as stated on a valid tax invoice.

5.3 Payment Terms – Local Suppliers

(a) For invoices with a total value of **USD Five Thousand (USD 5,000) or less**, payment shall be effected within **fourteen (14) days** from receipt of a valid tax invoice.

(b) For invoices with a total value **exceeding USD Five Thousand (USD 5,000)**, payment shall be effected within **thirty (30) days** from receipt of a valid tax invoice.

5.4 Payment Terms – Foreign Suppliers

For foreign suppliers, payment shall be made as follows, unless otherwise agreed in writing:

(a) **Thirty percent (30%)** of the purchase price shall be payable as a deposit upon acceptance of the Purchase Order; and

(b) The remaining **seventy percent (70%)** shall be payable upon shipment of the goods, supported by shipping documents; **or**

(c) Payment may be effected through a **Letter of Credit (LC)** issued by the Company's bank on agreed terms.

5.5 No Advance Payments

No advance or upfront payments shall be made unless expressly approved in writing by the Company.

5.6 Credit Arrangements

Where applicable, the Supplier shall enter into a signed **credit agreement** with the Company, setting out agreed credit limits and payment terms.

5.7 Right of Set-Off

The Company shall be entitled to set off any amounts owed to it by the Supplier against any amounts payable to the Supplier as at the date of invoice.

5.8 Suspension of Payment

The Company reserves the right to withhold or suspend payment in respect of any goods or services that are defective, incomplete, disputed, or not supplied in accordance with the Purchase Order.

6. RISK AND OWNERSHIP

- 6.1 Risk in, and ownership of the goods supplied by local suppliers shall pass to the Company upon accepted delivery.
- 6.2 Risk in, and ownership of the goods supplied by foreign suppliers shall pass to the Company as provided for in prevailing INCOTERMS.

7. INDEMNITIES

The Company shall not be liable to the Supplier or to any other person for any death, injury, loss or damage of any description which the Supplier, its employees, servants, agents, contractors, or associates may sustain directly or indirectly in or about any of the Company's premises and the Supplier hereby accepts responsibility for, and indemnifies Zuva and its employees against, any claim for injury, death, loss or damage to any such person and or his/her property.

8. CONFIDENTIALITY

Information disclosed by either party constituting trade, banking, sales, strategies or other secrets shall not be disclosed to any third party or used by the receiving party for its own purposes, except as envisaged directly in the fulfilment of the terms of this agreement or in line with any legislation of the Zimbabwe.

9. RIGHT TO AUDIT

The Company, through any duly appointed official and upon at least 24 hours' notice, shall have the right to carry out and audit and/or inspection of the Supplier's premises and operation for purposes of verifying compliance with these terms, particularly but not limited to the warranties given by the Supplier under clause 4 above.

10. BREACH

In the event of any breach of these terms not specifically dealt with in any other clause, the aggrieved party shall give the other party seven (7) days written notice to remedy such breach, failing which the aggrieved party shall be entitled to cancel this and any related commercial contract without prejudice to any other rights it may have at law.

11. FORCE MAJEURE

- 11.1 Force Majeure is any contingency caused by neither of the parties and which renders performance of contractual obligation by either or both parties impossible, in which case non-performance shall not constitute breach.
- 11.2 Force Majeure includes but is not limited to war (whether declared or not), revolution, invasion, insurrection, riot or civil commotion whether politically inspired or otherwise, mob violence, sabotage, blockade, embargo, boycott or sanctions, the exercise of military or usurped power, fire, explosion, theft, storm, drought, wind, lightning, or other adverse weather condition, the sudden and major breakdown of machinery or facilities, strike, lockout or labour dispute.
- 11.3 The party invoking Force Majeure shall notify the other party, in writing, immediately and shall give an indication of the likely duration of the contingency.
- 11.4 Thereafter, the parties shall negotiate the way forward based on the prevailing circumstances.

12. NON-WAIVER

Any indulgence and/or relaxation of these terms granted by one party to the other shall not constitute a waiver of any of the legal rights conferred by these terms or by operation of law.

13. GOVERNING LAW AND DISPUTE RESOLUTION

- 13.1 These terms shall be governed by the laws of Zimbabwe.
- 13.2 All disarrangements and disputes, arising from the issues, stipulated in this contract or in connection hereof, will be settled by Parties through negotiations.
- 13.3 In case when the Parties are unable to settle any dispute within fourteen days of the dispute having been raised:

- i. Either party may refer the dispute to arbitration for final resolution by a single arbitrator appointed by the Commercial Arbitration Centre at Harare.
- ii. The arbitrator shall be a retired Judge of the High Court of Zimbabwe or a registered legal practitioner of not less than fifteen (15) years' experience.
- iii. Arbitration proceedings shall be conducted in Harare.

13.4 The costs of arbitration shall be borne by the substantially unsuccessful party, together with the legal costs of the substantially successful party on a legal practitioner and client scale.

13.5 Notwithstanding any of the above, either party may approach any court of competent jurisdiction for urgent relief.

Signed and agreed:

_____ Date: _____

For and on behalf of

As witness