

SERVICE AGREEMENT: STANDARD TERMS AND CONDITIONS

1 Definitions

- 1.1 **“Agreement”** – The agreement concluded between the Client and Cartrack in respect of the Product and/or Service contemplated in the Subscriber Application Form which agreement will be exclusively governed by these terms and conditions and the specific terms and features applicable to the relevant Product or Service (as contained in Cartrack’s Product brochures), read together with the Subscriber Application Form and any appendices attached;
- 1.2 **“Business Day”** – Any day other than a Saturday, Sunday or official public holiday in South Africa;
- 1.3 **“Cartrack”** – Cartrack (Pty) Ltd and any entities appointed by Cartrack to perform the Service and shall include references to the employees, agents, sub-contractors, service providers, suppliers and any independent contractors of Cartrack or such appointed entities;
- 1.4 **“Client”** – The Party whose details appear on the Subscriber Application Form and who has signed after being requested to read these terms and conditions which will govern the relationship between the Parties;
- 1.5 **“Confidential Information”** – Information that is identified (orally or in writing) as confidential or of such a nature that a reasonable person would understand such information to be confidential;
- 1.6 **“Cooling-Off”** – means the right of the Client to rescind the Agreement if it originated from Direct Marketing as referred to in clause 3.6;
- 1.7 **“Day; Week; Month”** – Calendar day, week or month, respectively;
- 1.8 **“Direct Marketing”** – means where the Client has been approached by Cartrack in an unsolicited manner as defined in the Consumer Protection Act No 68 of 2008;
- 1.9 **“Fee”** – The collective fees for providing the Service, and Rental (if applicable), specified on the Subscriber Application Form and payable monthly in advance by the Client to Cartrack, together with any other charges which Cartrack is allowed to levy under this Agreement and which are set out in the Price Table;
- 1.10 **“Installation Centre”** – A centre approved by Cartrack for the installation of a fixed Unit;
- 1.11 **“Intermediary”** – A third party nominated by the Client;
- 1.12 **“Loss”** – The hi-jacking and/or theft of a Vehicle, in which event the Client is responsible to immediately notify Cartrack if the Client has a Unit with the SVR;
- 1.13 **“Product”** – the Unit and/or the value-added services selected by the Client on the Subscriber Application Form;
- 1.14 **“The Parties/Party”** – Cartrack and the Client; either Cartrack or the Client;
- 1.15 **“Price Table”** – An indicative price list, available to the Client on request, setting out the ruling retail price for the Service, the Rental, the Products and ancillary charges which may be updated from time to time;
- 1.16 **“Purchase Price”** – The amount specified as the “Cash Purchase Price” on the Subscriber Application Form for the cash purchase of the Unit;
- 1.17 **“Rental”** – The amount specified as “Monthly Rental Subscription” on the Subscriber Application Form, for the rental of the Unit, payable monthly in advance to Cartrack for the duration of the Term;
- 1.18 **“Roaming Costs”** – Any GSM costs incurred when the Unit transmits messages via a GSM network when located outside the Territory;
- 1.19 **“Service”** – means the provision by Cartrack to the Client of Fleet Management Services (“FMS”) and/or Stolen Vehicle Recovery Services (“SVR”), dependent on the Product selected by the Client on the Subscriber Application Form;
- 1.19.1 **“FMS”** – means the provision by Cartrack to the Client of a real-time web based system whereby the Client is able to position, monitor and obtain reports covering various aspects of driver and Vehicle performance. This Service only applies where a GPS fleet management Unit is installed and is limited to the Territory, except if the Product specifically incorporates international data roaming, in which case the roaming data service will be provided in specified countries;
- 1.19.2 **“SVR”** – means the provision of a Service by Cartrack to the Client whereby Cartrack conducts the tracking and recovery operations in accordance with Cartrack’s standard procedures to secure the Vehicle after receiving notification of a Loss by the Client. This Service is only applicable in the Territory and in countries where Cartrack has an operational branch;
- 1.20 **“Subscriber Application Form”** – The face of this Agreement and any appendices attached;
- 1.21 **“Term”** – Where the Client has selected the cash purchase option, from and including the date of installation to 00:00 on the last day of the month; where the Client has selected the Rental option, from and including the date of installation to 00:00 on the last day of the Rental period stipulated in the Subscriber Application Form, which Rental period shall be deemed to be 36 (thirty six) months from installation;
- 1.22 **“Territory”** – The Republic of South Africa;
- 1.23 **“Unit”** – The electronic device and ancillary equipment to be installed in a Vehicle by an Installation Centre in order for Cartrack to provide the Service;
- 1.24 **“Vehicle”** – Any Vehicle or other asset of the Client which is the subject of this Agreement and in which a Unit is installed, the details of which appear either on the Subscriber Application Form or on any appendix attached.

2 The Service

- 2.1 A Cartrack Installation Centre shall install the Unit into the Clients Vehicle/s.
- 2.2 Where the Client has selected a Unit with the SVR, with or without FMS, the following shall apply:
- 2.2.1 Cartrack will respond to each notification of a Loss and do all that it reasonably can do to recover the Vehicle. The Client authorises Cartrack to recover the Vehicle for the Client and, if necessary after recovery, to remove the Vehicle from a dangerous location. If Cartrack is under obligation after securing the Vehicle to deliver it to a relevant authority, Cartrack shall do so. The recovery will, unless agreed otherwise by written or verbal notice to the Client, be rendered free of additional charge within the Territory and countries where Cartrack has an operational branch. In the event that the Client requires a cross-border recovery, the Client will be responsible for the repatriation of the Vehicle and the cost thereof;
- 2.2.2 Cartrack does not guarantee that the SVR will lead to a recovery. The Client acknowledges that the SVR is intended to reduce the risk of Loss, but will not eliminate such risk;
- 2.2.3 The Client shall, immediately or as soon as is practically possible, notify Cartrack of any recovery request unintentionally generated (“false alarm”). The Client will be responsible for any false alarm and understands that such false alarm may lead to the relevant authorities or Cartrack responding thereto and making wrongful arrests. Accordingly, the Client shall be responsible to repay all costs and any expense incurred by Cartrack, and hereby indemnifies Cartrack against all claims or damages arising out of a false alarm.
- 2.3 Where the Client has selected a Unit with the FMS, with or without SVR, the following shall apply:
- 2.3.1 The FMS features provided by Cartrack to the Client are dependent on and limited to the Product selected by the Client and as indicated on the Subscriber Application Form and in the Product brochures;
- 2.3.2 secure 24 (twenty four) hour access to the web-based monitoring and reporting system shall be provided to the Client on creation of a user name and password;
- 2.3.3 user support shall be provided by user manuals and a telephonic/email support desk.
- 2.4 Cartrack provides its Clients with a free, 24 (twenty four) hour Unit testing service.
- 2.5 The Client accepts responsibility for making all reasonable enquiry as to the suitability for purpose of the Unit, the main features of which are disclosed in Product brochures which are available to the Client on request.

3 Terms and Cancellation

- 3.1 This Agreement shall continue for the Term.
- 3.2 The Client (if the Client is a natural person) may cancel this Agreement in writing or other recorded manner:
- 3.2.1 upon the expiry of the Term without penalty or charge, subject to the Client remaining liable to Cartrack for any amounts owed in terms of the Agreement up to the date of cancellation; or
- 3.2.2 at any other time, by giving Cartrack notice of 20 (twenty) Business Days, subject to the Client remaining liable to Cartrack for any amounts owed in terms of the Agreement up to the date of cancellation and subject to clause 3.4.
- 3.3 The Client (if the client is a juristic person) may cancel this Agreement in writing or other recorded manner:
- 3.3.1 by giving Cartrack notice of 1 (one) month upon expiry of the Term, subject to the Client remaining liable to Cartrack for any amounts owed in terms of the Agreement up to the date of cancellation; or
- 3.3.2 at any other time, by giving Cartrack notice of 1 (one) month, subject to the Client remaining liable to Cartrack for any amounts owed in terms of the Agreement up to the date of cancellation and subject to clause 3.4.
- 3.4 Cartrack may impose a reasonable cancellation penalty, should the cancellation be before the end of the Term, in lieu of costs incurred with respect to the Service provided in contemplation of the Agreement enduring for its intended Term.
- 3.5 Cartrack may cancel this Agreement 20 (twenty) Business Days after giving written notice to the Client of a material failure (i.e. non-payment or failure to comply with the obligations in terms of this Agreement) by the Client, unless the Client has rectified the failure within that time.
- 3.6 Should the Client have concluded the Agreement with Cartrack as a result of Direct Marketing, the Client has the right to enforce its Cooling-Off rights in accordance with the Consumer Protection Act 68 of 2008. In terms thereof, the Client may be entitled to cancel the Agreement within 5 (five) Business Days after the Agreement has been concluded, by written notice to Cartrack. Should the Client exercise his/her Cooling-Off rights, then any payment that has been made to Cartrack in respect of such Agreement will be repaid as follows:
- 3.6.1 within 15 (fifteen) Business Days if no installation has been completed; or
- 3.6.2 within 15 (fifteen) Business Days after the return of the Unit to Cartrack if installation has already taken place.
- 3.7 In the event that the Client finds the Unit defective or not of the standard described, the Client shall return the Vehicle to Cartrack within 10 (ten) Business Days of fitment, at Cartrack’s risk and expense, for Cartrack to inspect the Unit installed in the Vehicle. Should the Unit be found to be defective, Cartrack shall, at its discretion, replace the Unit or cancel the Agreement.

4 Renewal

- 4.1 Cartrack will, not more than 80 (eighty) days and not less than 40 (forty) days before the expiry of the Term of the Rental option, notify the Client in writing or any other recordable form of the impending expiry date, including the notice of:
- 4.1.1 any material changes that will apply if the Agreement is to be renewed or which may apply beyond the expiry of the Term; and
- 4.1.2 any options available to the Client in terms of clause 4.2.
- 4.2 On the expiry of the Term, it will automatically be continued on a month-to-month basis, subject to the notice periods in clause 3 and any material changes of which Cartrack has given notice (in terms of clause 4.1.1) unless the Client:
- 4.2.1 directs Cartrack to terminate the Agreement on the expiry date of the Term in terms of clause 3; or
- 4.2.2 agrees to a renewal of the Agreement for a further period.

5 Fee

- 5.1 The Price Table, as contained in the Product brochures and updated from time to time, will be made available to the Client upon the Client’s request.
- 5.2 The Client shall pay Cartrack the Fee for the Service as set out in the Subscriber Application Form as revised from time to time as per this clause 5, monthly in advance by debit order on the Client’s bank account.
- 5.3 In the event that the payment date as selected by the Client on the Subscriber Application Form does not fall on a Business Day, the Client hereby agrees that Cartrack may debit the Client’s bank account on the preceding Business Day.
- 5.4 The Client shall pay Cartrack for additional ad-hoc Services such as Roaming Costs within 30 (thirty) days of receipt of an invoice from Cartrack. The Client agrees such costs reflected on an invoice received from Cartrack shall be considered a true reflection of the costs incurred by the Client and the Client shall not withhold payment for any reason whatsoever.
- 5.5 The first Fee and the Purchase Price, if applicable, shall be paid upon installation of the Unit.
- 5.6 Cartrack will increase the Fee by 10% each year for years 2 (two) and 3 (three) of the Term, thereafter increases shall be at Cartrack’s discretion and based on the prevailing Consumer Price Index.
- 5.7 Cartrack shall provide the Client with written notice of not more than 80 (eighty) days nor less than 40 (days) before each annual Fee increase stating the increased amount and the effective date.
- 5.8 The Client agrees that the proportion of the Fee which relates to foreign currency input costs may be subject to change, at Cartrack’s discretion, based on the foreign exchange rate at any given time and/or any price changes effected by third party service providers. Accordingly, Cartrack shall provide the Client with 30 (thirty) days written notice of any such changes in the Fee.
- 5.9 All amounts outstanding in terms of this Agreement shall bear interest from the due date until payment at the maximum rate permitted by law.
- 5.10 Where the Fee, by direct or indirect agreement between the Client and the Intermediary, is to be paid to Cartrack by the Intermediary and the Intermediary fails to pay any Fee, the Client will be responsible to pay such Fee and, for the remainder of the Term, to pay by debit order in terms of clause 5.2 any outstanding Fee due and any future Fee due in terms of this Agreement.
- 5.11 Fees for other services shall be charged for at prices (VAT inclusive) per the following table subject to escalation from time to time:

OTHER SERVICE CHARGES	CASH OPTION	RENTAL OPTION
De-Installation/ Re-Installation	R 850.00	R 850.00
Change of Ownership	R 342.00	R 342.00
No-show fee on scheduled appointments	R 570.00	R 570.00
Early termination of contract	Where subscriptions have been paid in advance for more than one month, an administration fee of R342.00 will be levied before any refund is made	R1700.00 per contract or balance of the contract, whichever is the lesser
Out of warranty repair cost	A call-out fee of R570.00 will be levied plus the replacement or repair cost of the Unit if applicable	
Documentation	Emailing of documentation is free of charge. Post or fax will be charged at R20.00 per document	

6 Hardware and Warranty

- 6.1 The Client will be responsible to use the Unit and the Service in the manner advised by Cartrack and as reflected in Cartrack’s Product brochures. The Client shall not, in any way remove, alter or tamper with the Unit.
- 6.2 Subject to the Client complying with clause 6.1, the Unit and the installation thereof carries a 12 (twelve) month warranty. Any maintenance and/or repairs must be carried out at an Installation Centre.
- 6.3 All risk of loss and damage in and to the Unit shall, from the date of installation, pass to the Client, but ownership of the Unit shall remain with Cartrack until payment has been made in full. If the Unit has not been paid for in full and this Agreement is terminated in accordance with clause 3 or clause 9, Cartrack may at its expense remove the Unit and the Client shall, within 5 (five) days of receipt of any written or verbal request, deliver the Vehicle to an Installation Centre for such removal.

7 Furnishing of Information

- 7.1 The Client confirms the completeness and accuracy of all the information on the Subscriber Application Form or otherwise furnished by or on behalf of the Client to Cartrack.
- 7.2 The Client shall immediately, or as soon as is practically possible notify Cartrack in writing of any changes to the information on the Subscriber Application Form, or furnished to Cartrack from time to time, by written notice to clientservices@cartrack.co.za or through the Client Services Portal (a portal accessible on the Cartrack website), which information will be updated within 7 (seven) days of receipt by Cartrack.
- 7.3 The Client has selected the address referred to on the Subscriber Application Form as its selected legal address where all communications from Cartrack and any legally required notices will be delivered for all purposes arising out of this Agreement, provided that the Client shall be entitled to change such legal service address, on written notice to Cartrack or through the Client Services Portal. Cartrack will effect such change within 7 (seven) days of receipt by Cartrack of such notice.

8 Client’s General Obligations

- 8.1 It is the responsibility of the Client to contact the Cartrack control centre for a Unit test to be carried out in terms of clause 10.1.3.3. The Client must take all reasonable steps to ensure that the Unit is in proper working order and must immediately or as soon as is practically possible report any Unit faults and/or failures to Cartrack in order for Cartrack to provide the Service.
- 8.2 The Client must ensure that the Cartrack emergency numbers (+27 (0) 861 22 78 72 or +27 (0) 82 467 5329) are kept handy and contact Cartrack as soon as possible after a Loss.
- 8.3 The Client holds exclusive responsibility, and Cartrack shall have no liability, for ensuring that the Service complies with all laws regarding the intended use by the Client of the Service herein.

9 Default

- 9.1 If the Client (or the Intermediary on the Client’s behalf), after 7 (seven) days written notice of default, fails to pay any amount due in terms of this Agreement or the Client abuses or misuses the Service, then, for the duration of such default, Cartrack may suspend all of its obligations in terms of this Agreement. Cartrack shall be entitled to recover arrear Fees by debiting the Client’s account with the outstanding amount or by any other legal action, and cancel the Agreement, charging a reasonable penalty fee for early cancellation.

10 Limited Recovery Warranty

- 10.1 In the event of a Loss without recovery for a Vehicle which includes the SVR, Cartrack undertakes to pay to the Client a lump sum on the following terms and conditions and subject to clause 10.4:
- 10.1.1 Payment:
- 10.1.1.1 The amount of the lump sum shall be the book value of the Vehicle, computed as the average of the trade and retail value of the Vehicle as per the ITC Auto Dealers Guide as at the month of the theft, limited to a maximum amount of R150 000.00 (one hundred and fifty thousand rand) inclusive of VAT;
- 10.1.1.2 Payment shall be made within 60 (sixty) days of receipt by Cartrack from the Client of the documents referred to in clause 10.1.3 if no recovery has yet been made;
- 10.1.1.3 Should the stolen Vehicle be recovered by any party after payment by Cartrack has been made, then the Client shall be obligated to inform Cartrack in writing and reimburse Cartrack the Recovered Value within 7 (seven) days of the recovery. The “Recovered Value” shall mean the lesser of the warranty payment made by Cartrack to the Client or the market value of the Vehicle in its recovered condition;
- 10.1.2 Conditions and Limitations:
- 10.1.2.1 This warranty shall only apply to Vehicles classified as motor vehicles licensed to travel on public roads and utilised as a means of transportation for people and/or cargo, subject to clause 10.4.1; and to the Cartrack Products which provide the SVR, with the exception of mobile and trailer-tracking devices; and which are sold and installed after 1 September 2012 and until such date as Cartrack may decide to terminate the offer of such warranty on notice to the Client; and where the Fees for the Service are paid for in accordance with the Price Table updated from time to time;
- 10.1.2.2 This warranty shall be valid for a period of 3 (three) years from date of installation, whereafter it shall lapse forthwith;
- 10.1.2.3 Should the Client be insured by an insurer or through a broker who has accepted this warranty on behalf of the Client under an arrangement with Cartrack whereby the Client receives a direct or indirect benefit from such warranty in terms of the Client’s insurance policy, then Cartrack shall have no obligation whatsoever to the Client in respect of this warranty. In such case, it shall be the Client’s responsibility to determine from the insurer or broker what benefits will accrue to the Client under his/her insurance policy.
- 10.1.3 It is the responsibility of the Client to:
- 10.1.3.1 report the Loss to the relevant law enforcement agency promptly and to provide Cartrack with the case reference number and details of the enforcement agency where the theft was reported; and
- 10.1.3.2 provide Cartrack with either proof of payment of the insurance claim by the insurer, if insured, or a sworn affidavit attested to by a member of the South African Police Service confirming that the Client is not insured for the Vehicle against theft along with any other documentation that Cartrack may deem necessary to properly investigate the claim; and
- 10.1.3.3 test the Unit on a quarterly basis to ensure it is operational and, if notified by Cartrack that the Unit is faulty, to take the Vehicle to an Installation Centre for repair within 3 (three) working days of establishing the fault; and
- 10.1.3.4 keep the Client’s emergency contact details up to date and to ensure there are sufficient emergency contact persons so that at least one contact is available to receive a call from the control room in the event of a Loss.
- 10.2 This warranty does not cover the loss of contents of the Vehicle or damage to a Vehicle if recovered, including any consequential damages as a result of the Loss.
- 10.3 The Client hereby authorises Cartrack to do whatever investigations Cartrack deems necessary to evaluate a claim under this warranty, including liaising with any insurer or third party and obtaining reports in respect of the Loss, and to publish the warranty paid out, if any.
- 10.4 Exclusions: This warranty shall be invalid if:
- 10.4.1 the Client is in breach of any of the terms and conditions of this Agreement entered into by the Client in respect of the Service; or
- 10.4.2 the Vehicle was not within the borders of the Republic of South Africa at the time of the incident or notification of the Loss to Cartrack; or
- 10.4.3 Cartrack has contacted the Client following receipt by the control centre of a theft alert signal and the Client has confirmed that the Vehicle is secure, but the Vehicle has in fact been stolen; or
- 10.4.4 it is established with reasonable probability that fraud was involved in relation to the Loss; or
- 10.4.5 the Vehicle was insured and the insurer has not paid out the Loss claim; or
- 10.4.6 the account of the Client was in arrears at the date of the Loss; or
- 10.4.7 the Vehicle had been previously stolen and recovered, but not subsequently referred to Cartrack by the Client for checking of the installation and revalidation of the warranty prior to being stolen again; or
- 10.4.8 there has been any undue delay in reporting the Loss to Cartrack if such delay was material to the non-recovery. A Loss must be reported within 6 (six) hours of the theft incident; or
- 10.4.9 the Unit has been established to be faulty in terms of clause 10.1.3.3. and the Vehicle was stolen/hijacked while the Unit was faulty; or
- 10.4.10 the Client’s contact details were incorrect to the extent that Cartrack was unable to make telephonic contact with the Client or the Client’s alternate emergency contacts at the time of the Loss; or
- 10.4.11 the Vehicle is operated as a mini bus, or is a motor bike or three-wheeler; or is a trailer;
- 10.4.12 the claim under this clause 10 is not made by the Client in writing to Cartrack within 30 (thirty) days of the Loss.
- 10.5 Except as set forth herein, no other recovery warranties are expressed or implied.

11 Disclaimers

- 11.1 Cartrack makes no warranty that the Service will capture all events, that remote access and the GSM network will be continuous or uninterrupted, that the fleet management web based system will be error-free, or that any specific result or outcome will be achieved by utilizing the Service, or that the use of the Service by the Client will comply with all applicable laws.

12 Warranties and Representations

- 12.1 The Client represents and warrants that:
- 12.1.1 it has the necessary right and authority to enter into this Agreement, is the lawful owner and/or possessor of the Vehicle, and is therefore permitted to allow Cartrack to provide the Service herein;
- 12.1.2 in making such disclosure, the Client hereby indemnifies Cartrack from any claim whatsoever which may arise from any third party/ies against Cartrack in the event that the Client has misrepresented its right and authority.

13 Exclusion of Liability

- 13.1 In addition to any other indemnities contained in this Agreement, Cartrack will not be liable for any loss or damage of whatsoever nature caused to the Client in consequence of any act or omission by Cartrack, notwithstanding any negligence on the part of Cartrack, provided only that Cartrack is entitled in law to contract out of such liability. In the event that Cartrack is, despite the provisions of this clause 13, found by a court of law with competent jurisdiction to be liable for any loss or damage to the Client, Cartrack’s liability will be limited to the maximum amount of R50 000 (fifty thousand rand).

14 General

- 14.1 Cartrack will make every reasonable effort to carry out its obligations under this Agreement, using commercially reasonable efforts conforming to generally accepted industry standards. Where Cartrack is directly or indirectly prevented or restricted from carrying out all or any of its obligations under this Agreement by a cause beyond its control, then Cartrack cannot be held responsible for delay or failure in performance in meeting its obligations.
- 14.2 For the duration of this Agreement and at all times after its termination, each Party and its employees and agents agree not to disclose any Confidential Information obtained from the other Party to any other person or entity.
- 14.3 The Client may not alter the terms of this Agreement without the written consent of Cartrack. Cartrack reserves the right to amend these Terms and Conditions from time to time. Any new version of the Terms and Conditions will be displayed on the Cartrack Website (www.cartrack.co.za) together with the date on which it will become effective, which will never be less than 30 (thirty) days after the date on which it is first published. It is the Client’s obligation to visit the Cartrack Website on a regular basis in order to determine whether any amendments have been made and the effective date thereof.
- 14.4 Where any number of days or other period is given in this Agreement for the carrying out of the Service or obligations, the days will be calculated excluding the first day and including the last day.
- 14.5 In the event of Cartrack taking legal action against the Client or the Intermediary for breach of payment under this Agreement, the Client shall be responsible for all costs (on a client and own attorney scale) allowable by the courts if an award is made in Cartrack’s favour.
- 14.6 The nature and amount of any indebtedness of the Client to Cartrack at any time shall be determined and proved by a document signed by a manager of Cartrack, whose capacity or authority it shall not be necessary to prove. Such certificate shall, upon the mere production thereof, be binding on the Client as prima facie proof that the amount stated therein is due and payable, and will prima facie be valid as a liquid document against the Client in any competent court. If the Client wishes to dispute such certificate or the effects thereof, the burden of proof rests on the Client.
- 14.7 Neither Party may cede or delegate the rights or obligations in terms of this Agreement without the prior written consent of the other Party, which consent shall not unreasonably be withheld.
- 14.8 Cartrack will attempt to resolve any dispute quickly and efficiently. The Client may direct any complaint to the Consumer Commission. Should the Client not be satisfied with the complaint resolution, the Client may take action in a competent court.
- 14.9 The laws of the Republic of South Africa will apply to this Agreement and the relevant courts of the Republic of South Africa will have exclusive jurisdiction in relation to the Agreement.
- 14.10 The Client undertakes to provide Cartrack with a 30 (thirty) day written notice in the event that the Client no longer wishes to receive correspondence regarding new Products and value-added services.

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