



## TERMS AND CONDITIONS OF PURCHASE

- 1) **ACKNOWLEDGEMENT:** Buyer recognizes that Supplier may, for operating convenience, desire to utilise its own form of sale note acknowledging this order, or otherwise acknowledge than by simple acceptance. Therefore, it is agreed that any provisions in the form of acceptance used, which modify, conflict with, or contradict any provision of this order, shall be deemed to be waived, and that the provisions of this order, by such acceptance, constitute the whole contract between the parties.
- 2) **INSPECTIONS AND REJECTIONS:** All articles and/or services shall be subject to the Buyer's inspection within a reasonable time, after delivery and performance, irrespective of date of payment therefore, but the Buyer shall promptly notify the Supplier of any defects detected and hold any articles so claimed to be defective for the Supplier's instructions and at his risk for a reasonable period, not to exceed sixty (60) days. No goods returned as defective shall be replaced without an order.
- 3) **DELIVERY SCHEDULE:** Deliveries are to be made in quantities and at times specified in schedules furnished by the Buyer. In regard to deliveries to be made by the Supplier to the Buyer in terms hereof time shall be the essence of the contract. Buyer will have no liability for payment for material or items delivered to the Buyer which are in excess of quantities specified in the delivery schedules. The Buyer may from time to time change schedules or direct temporary suspension of scheduled shipments.
- 4) **PAYMENT AND ACCEPTANCE:** Unless otherwise mandated by local law, the terms of payment are net 30 days after receipt of Supplier's valid VAT invoice and statement of account or after receipt of the products or services, whichever is later. Payment will not be deemed acceptance of products or services, and such products or services will be subject to inspection, test, acceptance or rejection. At Buyer's option, Buyer may reject products or services that do not comply with Buyer's acceptance criteria for a refund, or require Supplier to repair or replace such products or re-perform such services without charge and in a timely manner. Buyer may return non-conforming products to Supplier at Supplier's expense.
- 5) **TERMINATION:** At any time during the term of this contract the Buyer shall have the right to terminate this contract by advising the Supplier, by registered letter, subject to the following adjustments:
  - a) All the material completed and ready for delivery, including materials purchased by the Supplier from third parties when the said registered letter is received by the Supplier, will be duly accepted and paid for by the Buyer.
  - b) With respect to material in process of manufacture and not completed when the said registered letter is received by the Supplier, the Buyer may elect:
    - i) to have the material completed and take delivery thereof at the contract price; or
    - ii) to cancel the contract and pay the Supplier pro rata amount of the contract price based upon the state of completion to be certified by the Supplier.
  - c) With respect to material necessarily purchased for this contract but not in process of manufacture, the Buyer will reimburse the Supplier for its actual cost plus a handling charge not to exceed 5% or, at the Buyer's option, the costs of the Supplier's Commitment.
  - d) All material which is made the subject of such adjustment shall be the Buyer's property upon payment.
- 6) **WARRANTY:** The Supplier expressly warrants that all material and work covered by this order will conform to the specifications, drawings or other description furnished by the Buyer, and will be merchantable, of good material and workmanship and free from defect. The Supplier expressly warrants that all the material covered by this order will be fit and sufficient for the purpose for which it is purchased by the Buyer, and that all work which is performed by the Supplier will be timeously and properly executed to the Buyer's requirements.
- 7) **SPECIAL EQUIPMENT:** Special dies, tools and patterns used in the manufacture of the articles contracted for herein, shall be the property of the Buyer. They shall be kept in good condition and from time to time replaced by the Supplier without expense to the Buyer, except that changes due to the Buyer's change of design or specifications shall be paid for by the Buyer, if required for further orders for the Buyer prior to the exhaustion of the useful life of said dies, tools and patterns. No dies, tools, patterns or drawings supplied to the Supplier or used in the manufacture of the articles contracted for herein shall be used in the production, manufacture or design of any other articles, nor for larger quantities than those specified, except with the express consent in writing of the Buyer, and at the termination of this contract they shall be disposed of as the Buyer shall direct.
- 8) **CHANGE IN SPECIFICATIONS:** The Buyer reserves the right at any time to make changes in drawings and specifications as to any material and/or work covered by this order. Any difference in price or time for performance resulting from such charges shall be equitably adjusted and the contract shall be modified in writing.
- 9) **INVOICES** dated on the day of shipment, priced and extended, bearing the numbers of all orders for material included in the invoices, and accompanied by Bill(s) of Lading, are required for each shipment.  
Careful attention to these instructions will facilitate prompt handling of incoming goods, and permit approval and payment of your invoices in regular course. In case of delay, loss, or of any question arising, the Supplier shall write or e-mail fully, giving order number.
- 10) **NO CHARGES** shall be made for wrapping, packing, cartons, boxing, crating or carriage unless authority for such charge is expressly incorporated in this order.
- 11) **ALL ARTICLES** shall be suitably packed or otherwise prepared for shipment, so as to secure the lowest transportation and insurance rates, and in accordance with carriers' requirements.
- 12) **PATENT PROTECTION:** By accepting this order Supplier grants Buyer all rights and licenses necessary for Buyer and its affiliates to use, transfer, pass-through, and sell the products and services and to exercise the rights granted under this order. Supplier agrees to defend, protect, and save harmless the Buyer, its successors, assigns, customers and the users of its products by reason of the use of the articles hereby ordered, against all suits, at law or equally, and from all damage claims and demands, for actual or alleged infringement of any Letters, Patent, Trade marks, or corresponding protection granted by the Republic of South Africa or any Foreign State.
- 13) **BUYER'S DESIGN:** The Supplier agrees that if the articles or materials covered by this Purchase Order are to be manufactured to design furnished by the Buyer, the Supplier will not, without the written consent of the Buyer, manufacture such articles or materials from said design for sale to other than the Buyer.
- 14) **INSURANCE:** If this order covers the performance of labour for the Buyer, the Supplier agrees to indemnify and protect the Buyer against all liabilities, claims or demands for injuries or damage to any person or property arising out of the performance of this contract. The Supplier further agrees to furnish a certificate from its insurance carriers showing that it carries adequate Workman's Compensation, Public Liability, and Property Damage Insurance coverage. The said certificate must show the amount of coverage, the number of the policy, and the date of expiration.
- 15) **LIABILITY FOR DAMAGE:** Whenever Supplier shall, by virtue hereof, have in possession property of Buyer, Supplier shall be deemed an insurer thereof and shall be responsible for its safe return to Buyer.
- 16) **CONTRACTORS:** Any contractors employed on site are required to enter into a written "Rules for Contractors" agreement on Occupational Health and Safety Act, secrecy, etc., prior to commencing work on site.
- 17) **COMPANY REGULATIONS:** Any Supplier or Contractor entering the premises is required to meet the Company's Health, Safety, Environmental and Security Regulations. Supplier/Contractor guarantees that he and all of his contractors or employees that perform work on the premises of the Buyer are registered with the Compensation Fund in terms of Article 89 Compensation for Occupational Injuries and Diseases Act (COID Act); Supplier/Contractor shall provide to Buyer a copy of a letter of good standing and approval from the Compensation Commissioner valid for the full period of services performed hereunder.

March 2012