

ETION CREATE (PTY) LTD STANDARD TERMS AND CONDITIONS OF PURCHASE

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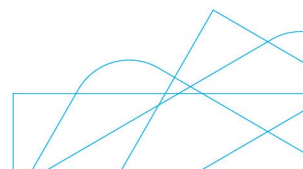
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Author: Mechiel Venter

Authorised by: _____

Burt Lamprecht
Financial Manager



ETION CREATE (PTY) LTD STANDARD TERMS AND CONDITIONS OF PURCHASE

1. DEFINITIONS

- 1.1. In these Standard Terms and Conditions of Purchase, except where the context clearly requires otherwise, the words, expressions and phrases set out below have the meanings hereby assigned to them:
- 1.1.1. **"Acceptance Certificate"** means the certificate issued by the Purchaser, stating that the Goods have been accepted as satisfying the requirements of the Order;
 - 1.1.2. **"Certificate of Conformance"** means the certificate issued by the Supplier, certifying that the Goods conform to and comply fully with the requirements of the Order;
 - 1.1.3. **"Counterfeit Goods"** means any material, component, part, assembly, sub-assembly, product and any other item forming part of the Goods (together referred to as **"Items"** and separately as **"Item"**) in which there is an indication by visual inspection, testing, or other information that it may be a copy or substitute made without legal right or authority or one whose material, performance, Identity or characteristics have been misrepresented by the Supplier, manufacturer or a supplier in the Supplier's supply chain;
 - 1.1.4. **"Distributor"** means a Franchise Distributor and/or an Independent Distributor;
 - 1.1.5. **"Franchise Distributor"** means a distributor with which the OCM has a franchise agreement in terms whereof the Franchise Distributor is authorised by the OCM to buy, stock, re-package, sell and distribute its product lines with full OCM flow-through warranty;
 - 1.1.6. **"Goods"** means the items, documents, products, equipment, systems, subsystems, assembly, components, spares and/or spare parts, hardware, software, materials and/or the services as specified in an Order to be supplied by the Supplier to the Purchaser in accordance with the provisions of the Order;
 - 1.1.7. **"Identity"** means any information which relates to the properties or characteristics of the Goods, including but not limited to the original manufacturer or suppliers, trademarks or other intellectual property rights, part numbers, date codes, lot numbers, applied testing methods and results, inspections performed, documentation, warranties, origin, alterations, tampering, salvage, recycling, ownership history, packaging, physical condition, previous use and rejection;
 - 1.1.8. **"Independent Distributor"** means a distributor which has no agreement with an OCM and which purchases components on the open market with the intention to resell it;

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- 1.1.9. "**Intellectual Property Rights**" means the rights to any inventions, patents in force from time to time, technology, concepts, related designs or processes, copyright, trademarks and trade names relating thereto, whether registered or not, and all other intellectual property rights in respect of the Goods;
 - 1.1.10. "**Order**" means the document issued by the Purchaser, authorising the delivery of the Goods by the Supplier, in response to the Supplier's Quotation;
 - 1.1.11. "**OCM**" or "**OEM**" means the Original Component/Equipment Manufacturer which/whom has the Intellectual Property Rights in the product line;
 - 1.1.12. "**Price**" means the sum named in or ascertainable from the Order as the price to be paid in respect of the Goods;
 - 1.1.13. "**Purchaser**" means Etion Create (Pty) Ltd, registration number 2000/005147/07, a private company duly incorporated in terms of the laws of the Republic of South Africa, with its main place of business at 76 Regency Drive, Route 21 Corporate Park, Irene, Centurion, South Africa;
 - 1.1.14. "**Quotation**" means the document issued by Supplier, at the request of the Purchaser, which contains the offer for the delivery of the Goods;
 - 1.1.15. "**Supplier**" means the corporate body or person detailed in the Order, with which the Order has been placed for the supply of the Goods, and shall include its successors and permitted assigns;
 - 1.1.16. "**Suspect Counterfeit Goods**" means any item of the Goods in which there is an indication by visual inspection, testing, or other information that it may have been misrepresented by the Supplier or manufacturer and may meet the definition of Counterfeit Goods;
 - 1.1.17. "**these Conditions**" means these Standard Terms and Conditions of Purchase.
- 1.2. Any reference to the singular includes the plural and vice versa;
 - 1.3. Any reference to natural persons includes legal persons and vice versa;
 - 1.4. Any reference to gender includes the other genders.
 - 1.5. Clause headings have been inserted for convenience only and shall not be taken into account in the interpretation of these Conditions.

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- 1.6. If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of these Conditions.
- 1.7. Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 1.8. When any number of days is prescribed in these Conditions or an Order, same shall be reckoned exclusively of the first, and inclusively of the last day, unless the last day falls on a Saturday, Sunday or South African public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or South African public holiday.
- 1.9. The expiration or termination of these Conditions shall not affect such of the provisions which expressly provide that they will operate after any such expiration or termination, or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.
- 1.10. The rule of interpretation that any ambiguity in these Conditions shall be interpreted against the Party responsible for the drafting or preparation hereof shall not apply.

2. **APPLICABLE CONTRACTUAL CONDITIONS**

- 2.1. These Conditions, including any specific conditions contained in documents referred to herein, shall apply to all Orders placed with the Supplier by the Purchaser. The provisions of the Order and these Conditions shall form the only conditions between the Parties.
- 2.2. Where any of these Conditions have been specifically excluded in the Order from application either in full or in part, or where other terms and conditions have been substituted for them in the Order, the terms and condition so excluded or substituted shall not apply.
- 2.3. In the event of any conflict between the provisions of the Order and these Conditions, the provisions of the Order shall take precedence.
- 2.4. The Supplier shall, within 3 (three) business days after receipt of an Order, acknowledge receipt thereof and shall notify the Purchaser should any provision of the Order which contradicts the Supplier's Quotation be unacceptable to it. In the event that the Supplier fails to acknowledge receipt within the said period of 3 (three) days, or in the event of the Supplier commencing with the execution of the Order, the Supplier shall be deemed to have accepted such Order in its entirety. The Supplier is precluded from adding any further conditions to a placed Order and any such further conditions or amendments shall have no binding effect on the Purchaser and be deemed *pro non scripto*.

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3. REPRESENTATIONS

The Supplier represents and warrants that:

- 3.1. it has been duly incorporated, organized and/or established and validly exists under the laws of the jurisdiction of its incorporation and has the relevant constitutional approvals to manufacture and deliver the Goods in accordance with the terms of the Orders;
- 3.2. it possesses the necessary skill, competence, materials and qualified staff to manufacture, procure or otherwise obtain the Goods required by the Purchaser;
- 3.3. the Goods shall comply with all laws, rules or regulations in force at the time of delivery or performance;
- 3.4. it has full, clear and unencumbered title to the Goods, and that at the date of the transfer of title, it shall have full and unrestricted rights to transfer all the Goods to the Purchaser;
- 3.5. the use, copying or modification of the Goods shall not infringe any rights, including the Intellectual Property Rights of any other person or entity;
- 3.6. in providing the Goods, it will comply with all applicable health and safety and environmental laws and regulations, and the Purchaser's safety and environmental policies, guidelines, procedures and requirements, as they may be amended from time to time; and
- 3.7. it shall provide the Goods in accordance with the description thereof in a proper, workmanlike and careful manner, with properly equipped materials and in accordance with that degree of skill, diligence, prudence and foresight which would reasonably be expected to be observed, in each case by a skilled, qualified and experienced international supplier of products and/or services engaged in carrying out activities the same as or similar to the Supplier's obligations under these Terms under the same or similar circumstances.

4. PRICES

- 4.1. Prices shall be shown on the face of the Order and shall be fixed (i.e. not subject to any escalation or price increase), unless otherwise specified in the Order. Prices exclude value-added tax (VAT), which shall be shown as a separate line item on invoices. All other taxes, duties and charges shall be for the account of the Supplier.
- 4.2. Should the Order be issued on a "Price to be Advised", "Estimated Price", "Price subject to Adjustment" or any other similar basis, it shall be a condition of the Order that the Purchaser shall be advised of details of the proposed price prior to the Supplier tendering its invoice. The

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Purchaser may demand, before payment is made, that the price computation be supported by documentary evidence.

5. PAYMENT

- 5.1. All payments shall, unless otherwise agreed to between the Parties in writing beforehand and subject to the provisions of clause 5.2, be made to the Supplier by means of electronic funds transfer within 30 (thirty) days after receipt of Supplier's month end statement and the supporting documents detailed in the Order.
- 5.2. The Purchaser shall be entitled to set off any amount owing to the Purchaser by the Supplier against any amount owed to the Supplier by the Purchaser. Should the amount which is owed to the Purchaser not have been determined or liquidated, the Purchaser may suspend all further payments to the Supplier and estimate the amount that is owing and set-off the estimated amount, subject to adjustment and settlement once the amount has been determined or liquidated by way of arbitration or agreement.

6. PROGRESS REPORTS

The Supplier shall, when so requested in writing, submit to the Purchaser written reports giving full details of the progress of the work carried out in connection with the Order, the total quantities of Goods delivered and any other information as may be reasonably requested. Such reports shall be for such periods and contain such additional information as stipulated by the Purchaser.

7. QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS

- 7.1. Depending on the scope of supply, the Supplier may be required to maintain its management system in accordance with the requirements specified in requisite standards, namely ISO 9001 and/or AS-9100, (or a similar standard) as a minimum, as may be applicable.
- 7.2. The Supplier shall ensure that the Goods comply with agreed quality assurance and other applicable requirements as specified in the Order.
- 7.3. In addition to the quality related requirements specified above, the Supplier may be required to comply with the ISO 14001 and/or 18001 (or similar) standards pertaining to Environmental and the Health and Safety Standards respectively.
- 7.4. Whilst it is a pre-requisite to comply with the Occupational, Health and Safety Act, 1993 as amended, and other relevant pieces of legislation, the Supplier must familiarise itself with all other product related legislative requirements, whether stipulated in the Order or not.

8. PACKING, MARKING AND PRESERVATION

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8.1.The Supplier shall, prior to packing, mark the Goods in accordance with the instructions given in each Order or as otherwise instructed by the Purchaser. Goods purchased from a Distributor shall be supplied to the Purchaser with the original OCM's markings/trade marks.

8.2.All Goods, where applicable, shall be preserved as specified in the Order prior to packaging thereof.

8.3.The Supplier shall supply the Goods in the OCM's original packaging material. Where the Supplier re-packs the Goods, it shall be responsible for the packaging of the Goods in such a manner so as to prevent loss or damage during transit and in compliance with the requirements of the applicable mode of transport. When the Supplier re-packs the Goods, it shall ensure that the Goods are identifiable as OCM supplied Goods.

8.4.The Supplier hereby indemnifies the Purchaser against any and all losses, costs and damages caused by or resulting from faulty, incorrect or inadequate packaging, irrespective of whether the Supplier has re-packed the Goods or not.

8.5.Where provision is made in an Order for the return of packing materials or containers, such packing materials or containers shall be returned at the Supplier's risk, cost and expense. Packing materials or containers shall not be returned to the Supplier except where specifically provided for in an Order.

9. **ACCEPTANCE**

9.1.Where applicable, the Goods shall be considered as accepted by the Purchaser upon signature by the Purchaser's authorised representative of an Acceptance Certificate.

9.2.Acceptance of the Goods is subject to:

9.2.1. Successful inspection and/or testing of the Goods by the Purchaser;

9.2.2. the receipt by the Purchaser of the duly signed Certificate of Conformance; and

9.2.3. the delivery by the Supplier of the inspection and/or test reports as defined in the Order.

9.3. The Purchaser shall be entitled at all reasonable times during or after manufacture, to inspect, examine and test on the Supplier's or other premises, the materials and workmanship of the Goods. Approval of the Goods so inspected shall not release the Supplier from any obligation under an Order.

9.4.The Supplier shall keep records of all testing and/or inspections of the Goods, carried out to verify that the Goods meet the requirements specified in the Order, for a period of 5 (five) years. Such records must be made available to the Purchaser upon its request. In cases where the Supplier

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is not the manufacturer of the Goods, the Supplier shall ensure that the manufacturer maintains these records and provides same to the Supplier when requested by the Purchaser.

9.5. The Purchaser reserves the right to reject any complete lot, batch or shipment of Goods where such Goods do not conform in all respects to the requirements of the Order.

9.6. Once the Purchaser has notified the Supplier of any rejected Goods, the Supplier must then either repair or replace the Goods within 5 (five) calendar days of notice of such rejection (unless otherwise agreed) at the Supplier's risk and expense.

9.7. The Supplier shall collect any rejected Goods within 3 (three) calendar days of the Purchaser's notification that the Goods are being rejected, failing which storage fees equal to 1% (one percent) of the value of the rejected Goods shall be levied on it weekly up to a maximum of 10% (ten percent) of the value of the so rejected Goods. If the Supplier still fails to collect the rejected Goods, the Purchaser may sell these items without further notice to cover all expenses and penalties. Any remaining proceeds shall be returned to the Supplier.

9.8. The cost of transport, removal, reinspection, rework, repair, replacement or re-installation of items rejected by the Purchaser shall be for the Supplier's account (including the cost to repair, replace or rework any of the Purchaser's items which were damaged or rendered unusable as a result of the Supplier's non-conforming items).

9.9. Acceptance of the Goods may, at Purchaser's discretion, take place at the Supplier's premises prior to delivery.

9.10. Acceptance by the Purchaser of any Goods shall not prejudice the Purchaser's rights in terms hereof, *inter alia*, to claim under the warranty provisions.

10. DELIVERY

10.1. The Supplier shall take all measures necessary to perform proper transportation of the Goods by all appropriate means and using all appropriate equipment and accessories, with the assistance of competent and solvent agents or subcontractors where necessary. The Supplier shall organise transportation of the Goods to the place of delivery in a manner designed to avoid damage to the Goods, and so as to avoid difficulties in unloading the Goods at the place of delivery.

10.2. The mode and point of delivery shall be as specified in the Order (Incoterms 2010, where applicable). If no mode or point of delivery is specified in the Order, then delivery of the Goods shall be delivery into the Purchaser's store. Ownership and risk shall pass to the Purchaser upon delivery. The Supplier must insure the Goods against loss, accidents or damage until risk passes to the Purchaser and the Supplier must maintain adequate insurance in respect of all other risks that exist.

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- 10.3. The Supplier shall complete and deliver the Goods strictly in accordance with the delivery schedule set out in the Order. These dates are fixed, unless otherwise specified in the Order, and time shall be regarded as of the essence.
- 10.4. As soon as it appears to the Supplier that the dispatch of the Goods for any reason will be delayed, so that the stated delivery date requirements cannot or are unlikely to be fulfilled, the Supplier shall immediately notify the Purchaser in writing and provide all information concerning the reason and/or extent as well as details relating to the efforts the Supplier intends to make in order to avoid delay or expedite delivery. The Supplier shall be obliged to obtain written confirmation from the Purchaser that the Goods are still required.
- 10.5. Delivery shall not be deemed to have taken place until after inspection and acceptance of the Goods by the Purchaser to verify that the Goods conform to the Order; provided that the Supplier shall not be regarded as being in default between the period of actual delivery and the inspection of the Goods, should the Goods be accepted during the inspection thereof. Confirmation of receipt of Goods do not constitute acceptance of the Goods.
- 10.6. The Purchaser reserves the right to cancel an Order in respect of any Goods not delivered on time, without prejudice to any of its rights hereunder or at law.
- 10.7. The Purchaser may from time to time change the delivery schedule to be compatible with changes in the Purchaser's production schedule; provided that any acceleration of delivery will be made with due regard to the Supplier's lead-time requirements.
- 10.8. Where so required, the Supplier shall deliver to the Purchaser, at such times as may be agreed but at the latest upon delivery of the Goods, all technical and other documentation relating to the Goods, such as operating and maintenance manuals, training manuals, drawings, technical data sheets, product safety sheets, inspection certificates, certificates of conformity, certificates of origin, manufacturer certifications, preference certifications and any other supporting documentation. If not otherwise specified in the Order, the delivery of software or of Goods including software will include, for maintenance and/or adaptability reasons, all source and object codes relating to it. Such technical and other documentation remain the property of the Purchaser and shall be considered as integral part of the Goods.

11. LIQUIDATED DAMAGES

- 11.1. In the event that the Supplier fails to deliver the Goods in accordance with the agreed delivery schedule and such failure is not due to Force Majeure, the Purchaser may, without prejudice to any other rights it may have in terms of these Conditions or in law, recover from the Supplier as agreed liquidated and pre-estimated damages, a sum equal to 0,5 % (zero comma five percent)

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of the value of the Goods so delayed for each day (including Saturdays, Sundays and public holidays) of the delay up to a maximum of 20 % (twenty percent) of the value of the Order.

11.2. In the event that the delay in delivery of a part of the Goods prevents the use of other parts of the Goods, the liquidated damages shall also be recovered in respect of the Price of the Goods supplied but which cannot be used.

11.3. The Supplier warrants that the amount of liquidated damages stated in the preceding clause has been considered by it and represents a genuine pre-estimate of the damage to be suffered by the Purchaser in the event of late delivery of the Goods.

11.4. The Purchaser may deduct the amount of liquidated damages calculated pursuant to this clause from any payment due to the Supplier.

12. DRAWINGS, SPECIFICATIONS AND TECHNICAL INFORMATION

Drawings, data, designs and other technical data supplied by the Purchaser shall remain the Purchaser's property and shall be held in confidence by the Supplier. Such information shall only be used in the execution of the Order and shall not be reproduced or disclosed to others by the Supplier without the prior written approval of the Purchaser. All the aforesaid shall be returned to the Purchaser upon completion of the Order or upon demand.

13. CUSTOMER FURNISHED EQUIPMENT

13.1. The Supplier shall indemnify the Purchaser against loss or damage to any Customer Furnished Equipment ("CFE") whilst in the possession of the Supplier, however caused, and the Supplier shall maintain suitable insurance to such effect.

13.2. CFE which is not incorporated into the Goods shall be returned to the Purchaser at the Supplier's cost and expense in accordance with the written instructions of the Purchaser in this regard.

14. MODIFICATIONS

14.1. The Purchaser may at any time, on written notice, request changes to an Order and/or modification of the Goods without invalidating the Order.

14.2. In the event of the Purchaser requiring the Supplier to make such variations:

14.2.1. such requests must be addressed to the Supplier in writing;

14.2.2. the Supplier must, within 7 (seven) days after receipt thereof, indicate in principle whether it accepts such variations or not;

14.2.3. the Supplier shall proceed with the work not affected by the proposed amendment;

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- 14.2.4. in the event of the Supplier agreeing to such variations, the Supplier must within a further 7 (seven) days furnish the Purchaser with an amended written quotation with regard to the costs and delivery implications and, if necessary, also furnish the Purchaser with amended specifications;
- 14.2.5. the Purchaser shall within 14 (fourteen) days after receipt of such quotation accept or reject same.
- 14.3. In the event of an amendment being accepted, the Purchaser shall issue an Order amendment containing the amended costs and/or delivery schedule and/or specifications, without derogating from anything which has already been performed or supplied in terms of the Order.

15. WARRANTY

15.1. WHERE THE SUPPLIER IS THE MANUFACTURER

- 15.1.1. Goods shall be of the agreed quality and description and in accordance with the detailed specifications set out in the Order, or as stipulated in other agreed documentation referred to in the Order.
- 15.1.2. The Supplier warrants that the Goods supplied shall:
 - 15.1.2.1. be fit for the purpose for which they are intended, as defined by the Order;
 - 15.1.2.2. conform in all respects to the specifications contained in the Order;
 - 15.1.2.3. be free from latent and patent defects in design (where it is the Supplier's design), material, workmanship, size and dimensions;
 - 15.1.2.4. be according to the latest engineering standards;
 - 15.1.2.5. be new and unused; and
 - 15.1.2.6. in the event of the Goods including software, be free from any computer viruses, worms, redundant code and/or any other matter which is potentially or actually detrimental to the Purchaser's computer networks, equipment, software and/or products; the Supplier will have tested the Goods in order to give this warranty.
- 15.1.3. The Supplier shall make good, at its cost, and within such period as the Purchaser may stipulate, any defects in the Goods arising from defective design (where it is the Supplier's design), materials or workmanship that may develop under proper use during the period of 12 (twelve) months from the actual date of operational usage, or 18 (eighteen) months from the date of delivery, whichever is the earlier.

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- 15.1.4. If the Supplier, in terms of clause 15.1.3, repairs any part of the Goods, the remainder of the warranty period shall apply to such repaired part from the date so repaired. Parts replaced by the Supplier shall carry the warranty period specified in clause 15.1.3 above, i.e. 12 (twelve) months from the actual date of operational usage, or 18 (eighteen) months from the date of delivery, whichever is the earlier.
- 15.1.5. The Supplier's obligation under the warranty shall cover the collection and delivery of the defective Goods, at the original delivery point. Where applicable, the warranty shall include the installation and re-commissioning of any part of the Goods.
- 15.1.6. If the Supplier fails to remedy any defects within the time stipulated by the Purchaser, the Purchaser may proceed to remedy or cause to be remedied such defects at the Supplier's risk and expense, without prejudice to any other rights which the Purchaser may have against the Supplier in respect of the failure of the Supplier to remedy such defects.
- 15.1.7. The Purchaser's rights under this clause 15 are subject to the Goods being stored, maintained, handled, tested and operated in accordance with the written instructions issued by the Supplier. The warranty does not extend to Goods which have been damaged through accident or misuse or due to fair wear and tear.
- 15.1.8. Any software designed by the Supplier shall be warranted for a period of 90 (ninety) days from the date of delivery. Software comprised in the Goods not designed by the Supplier or Goods not manufactured by the Supplier are subject to the manufacturer's/ original supplier's standard warranty terms as contained thereon and delivered therewith. The Supplier undertakes to obtain the best possible warranties from its suppliers and to enforce the warranties from its suppliers, should a defect occur as a result of faulty materials or workmanship.
- 15.1.9. The warranty shall not be deemed to be exclusive, but shall be in addition to the Purchaser's other rights under these Terms and/or at law.
- 15.1.10.** This warranty shall extend to the Purchaser's customers.

15.2. WHERE THE SUPPLIER IS THE DISTRIBUTOR

The Supplier shall supply the full flow through warranty of the OCM/OEM to the Purchaser and its customer/s.

16. INTELLECTUAL PROPERTY RIGHTS

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- 16.1. The rights in all Intellectual Property that is already vested in a Party prior to the award of an Order ("**Background Intellectual Property**") shall at all times remain vested in such Party. The Supplier hereby grants to the Purchaser a non-exclusive, perpetual and royalty free licence and right to use and exploit its Background Intellectual Property for the integration, operation, upgrade and support of the Goods.
- 16.2. The Supplier agrees that it shall not acquire any rights in or use any Background Intellectual Property of the Purchaser or any of its Affiliates except as expressly authorised by the Purchaser, and then solely for the performance of its obligation under the Order.
- 16.3. Should the Supplier as part of the performance of an Order significantly modify, alter, amend and/or enhance its Background Intellectual Property, for example a manufacturing process, the significantly modified, altered, amended and/or enhanced Intellectual Property shall be owned by the Purchaser or its customer. To the extent that any such modified, altered, amended and/or enhanced Intellectual Property rights are owned by the Supplier, by operation of law or for any other reason, the Supplier shall assign such Intellectual Property rights in writing to the Purchaser or its customer at no cost or remuneration. "Significantly modify, alter, amend and/or enhance Intellectual Property" means a modification, alteration, amendment and/or enhancement of the Supplier's Background Intellectual Property, to the extent where such Background Intellectual Property provides the basis from which Intellectual Property is created to produce, manufacture, support or suit the Goods to be delivered by the Supplier.
- 16.4. The rights in all Intellectual Property created by the Supplier during and as a result of the performance of an Order ("**Foreground Intellectual Property**"), as well as the rights in all Intellectual Property which may in future arise from any modifications, amendments, enhancements and/or improvements thereto requested by the Purchaser, shall become vested in the Purchaser or its customer.
- 16.5. The Supplier shall indemnify, defend and hold the Purchaser or its customer harmless from any liability arising out of any third-party claim that Goods manufactured by the Supplier and sold to the Purchaser infringe any patent, including any damages and costs awarded against the Purchaser or its customer in a judgment of a court of competent jurisdiction. As a condition to the Supplier's obligation to indemnify the Purchaser/its customer, the Purchaser shall:
 - 16.5.1. notify the Supplier in writing within ten (10) days after the Purchaser knows a claim has been asserted against it;
 - 16.5.2. grant to the Supplier complete control over the defence of the claim; and
 - 16.5.3. provide to the Supplier all available documents and information regarding the claim.

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16.6. If the court finds that the Goods are infringing, or if the Supplier believes that such a determination is possible, the Supplier shall, at its expense:

16.6.1. replace the Goods with non-infringing goods;

16.6.2. procure on the Purchaser's behalf a license for the continued use of the Goods;

16.6.3. modify the Goods to the extent necessary to cure any problems of infringement; or

16.6.4. refund the purchase price paid for the Goods that are claimed to be infringing.

16.7. The Purchaser shall not be liable for the payment of royalties to the third party for such third party's Intellectual Property.

17. CONFIDENTIALITY

17.1. In the course of the performance of an Order, it is likely that the Parties shall exchange information of a confidential nature, including but not limited to technical, financial or commercial information or data, programmes, specifications, drawings, designs, computer software, Intellectual Property, knowhow, client lists and costs or prices ("**Confidential Information**").

17.2. The Party receiving Confidential Information ("**Receiving Party**") shall, for the duration of an Order and for a period of 5 (five) years thereafter:-

17.2.1. treat as strictly confidential and secret any and all Confidential Information given or made known to it during the Order period, by using the same degree of precaution and safeguards as it uses to protect its own proprietary information of like importance, but in no case with any less than reasonable care;

17.2.2. keep all Confidential Information obtained secret towards third parties and only use it for the purposes of performing the Order;

17.2.3. disclose Confidential Information to its employees, representatives and contractors only on a need to know basis and solely for the purpose of executing an Order; and then only on the understanding that such employees, representatives and contractors are aware of and undertake to observe the provisions of this confidentiality clause. It is specifically recorded and agreed that in the event that any of the Receiving Party's employees, representatives, and/or contractors breach the provisions of this clause, the Receiving Party accepts full and unconditional liability and responsibility for such breach;

17.2.4. neither copy nor otherwise reproduce or duplicate, in whole or in part, any Confidential Information where such copying, reproduction or duplication is not necessary to execute an Order and which has not been specifically authorised in writing by the Party

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disclosing the Confidential Information (“**Disclosing Party**”). The Receiving Party shall keep a record of all copies and reproductions.

17.3. The above undertakings shall not apply to:

17.3.1. information which at the time of disclosure is published or otherwise generally available to the public;

17.3.2. information which after disclosure by the Disclosing Party is published or becomes generally available to the public, otherwise than through any act or omission on the part of the Receiving Party;

17.3.3. information which the Receiving Party can show was in its possession at the time of disclosure, or was independently developed by it without reference to the Confidential Information received from the Disclosing Party; and/or

17.3.4. information rightfully acquired from a third party who did not obtain it under pledge of secrecy to either of the Parties.

17.4. Nothing herein shall be construed as granting to the receiving Party any proprietary rights or any licence in respect of the disclosing Party's Confidential Information.

18. **BREACH AND TERMINATION**

18.1. In the event of a breach of any provision of an Order (including these Conditions) by a Party (“**Defaulting Party**”), the other Party (“**Non-Defaulting Party**”) shall give the Defaulting Party written notice of such breach and the Defaulting Party shall have 14 (fourteen) days from the date of the notice (or such longer period as the Non-Defaulting Party may agree to in writing) to remedy the breach.

18.2. Should the Defaulting Party fail to remedy the breach within such period the Non-Defaulting Party shall have the right, without prejudice to any other rights and remedies which it may have in terms hereof or in law to:

18.2.1. claim specific performance of the provisions of the Order and claim damages;
or

18.2.2. terminate the Order forthwith, in whole or in part, and claim damages.

18.3. It is specifically recorded that where an Order calls for the delivery of spare parts, catalogues, technical manuals or any other documentation with the Goods, and such spare parts, catalogues, technical manuals or any other documentation are not delivered, the Purchaser

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shall be entitled to withhold payment until such spare parts, catalogues, technical manuals or any other documentation have been delivered.

18.4. The Purchaser shall have the right to give the Supplier written notice forthwith terminating an Order if the Supplier shall change control, shall sell a major part of its business or assets, shall cease or threaten to cease carrying on business or a liquidation order is granted by a court of competent jurisdiction or has a receiver or administrator appointed or shall compound with its creditors to go into liquidation, whether voluntary or otherwise (other than a members voluntary liquidation for the purpose of amalgamation or reconstruction) or shall commit any act of insolvency.

18.5. The Supplier shall inform the Purchaser without delay if any of the aforementioned conditions occur or are anticipated to occur and may make proposals with respect to how the work under the Order may be continued.

18.6. The Purchaser shall have the right to terminate an Order forthwith in the event of its customer terminates the corresponding purchase order placed on it, for whatever reason. Provided that the said purchase order is not terminated due to the default of the Supplier, the Purchaser shall pay to the Supplier, as full and final compensation, all amounts due and not previously paid but the costs for the Goods delivered by the Supplier up to the date of termination. The Purchaser shall also pay to the Supplier its reasonable costs which the Supplier incurred as a result of the early termination of the Order.

18.7. At no time, including upon any termination, shall the Purchaser have any liability to the Supplier for any loss of profit, loss of revenue, loss of contract, loss of opportunity, loss of goodwill, loss of production or down time costs or related losses.

19. INDEMNITY

19.1. The Supplier shall hold harmless and fully indemnify and keep indemnified the Purchaser and its respective directors, managers, officers, employees, agents and contractors ("Indemnified Persons") from and against:

19.1.1. any claim, allegations or demands made against the Purchaser or the Supplier as a result of the Purchaser's receipt, use or otherwise of any item of the Goods, where such claim, allegation or demand results from the breach by the Supplier of any of its obligations in terms hereof;

19.1.2. any and all cost, loss, expense, liability, claim or damage of whatsoever nature (including any liability for legal costs and expenses, but excluding any indirect, special and/or consequential damage, loss, costs, expense, claim and/or liability) which the Indemnified Persons incur or suffers as a consequence of, or would not have arisen but

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for: (i) any breach by the Supplier of the Order or any applicable laws; or (ii) any default by the Supplier in the due and punctual performance of any of its obligations under the Order, including, without limitation, any negligent act or omission or default of the Supplier or its agents or subcontractors or any breach or tortious acts; or (iii) any wilful or negligent act or omission by the Supplier or its agents or subcontractors in respect of any matter arising from the performance of an Order.

19.2. The Supplier shall be solely responsible for securing and maintaining valid policies of insurance in respect of all insurances required by all applicable laws and, without limiting the generality of the foregoing, the Supplier shall secure and maintain valid policies of insurance in respect of third party liability, public liability, product liability, automobile liability (if applicable), and workmen's compensation. The Supplier shall ensure that adequate coverage is provided by the insurance obtained and that all such insurances shall contain provisions that insurance companies shall have no right of subrogation against the Indemnified Persons. The Purchaser shall be entitled from time to time upon demand to request copies of or inspect the Supplier's policies of insurance and related insurance certificates to determine whether the Supplier's policies of insurance are in full force and effect.

19.3. Notwithstanding anything contained in this Contract, the Supplier shall be liable to the Purchaser for all damage and/or loss which may be sustained by the Purchaser or by any third party as a result of any breach of the warranties and undertakings given by the Supplier in terms of an Order, or as a result of any negligent acts, omissions or wilful misconduct in the performance by the Supplier, its employees, agents or contractors of its obligations in terms of an Order.

20. **FORCE MAJEURE**

20.1. The Supplier shall not be responsible for any delay in the delivery of the Goods as a result of causes beyond its reasonable control, including but not limited to war, revolution, invasion, sabotage, epidemic, quarantine, strikes, lock-out, earthquakes, hurricanes, fire, flood or accidents to machinery.

20.2. The Supplier shall inform the Purchaser, in writing, of the causes of any such delay within 3 (three) days of the commencement of the event of Force Majeure and indicate the estimated time to remove the cause of the delay. If the Supplier fails to notify Purchaser as aforesaid the Supplier shall not be entitled to an extension of the agreed delivery date.

20.3. The Supplier shall do his utmost to avoid or remove the Force Majeure situation and shall continue performance in accordance with the Order on those parts of the Order not affected by Force Majeure.

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- 20.4. The Supplier shall resume work on any delayed portion of the Order as soon as the Force Majeure event has ceased.
- 20.5. In the event of a force majeure situation the relevant performance and completion times shall be adjusted to allow for the effects of the force majeure.
- 20.6. Should the delay due to force majeure be in excess of 90 (ninety) days, either Party shall have the right to terminate such Order, without any right of recourse against each other, save in respect of Goods already delivered.

21. SETTLING OF DISPUTES

- 21.1. If any dispute arises out of or in connection with an Order (including these Conditions), or related thereto, whether directly or indirectly, the Parties must refer the dispute for resolution firstly by way of negotiation and in the event of that failing, by way of mediation and in the event of that failing, by way of arbitration. The reference to negotiation and mediation is a precondition to the Parties having the dispute resolved by arbitration.
- 21.2. A dispute within the meaning of this clause exists once one Party notifies the other in writing of the nature of the dispute and requires the resolution of the dispute in terms of this clause.
- 21.3. Within 10 (ten) business days following such notification, the Parties shall seek an amicable resolution to such dispute by referring such dispute to designated representatives of each of the Parties for their negotiation and resolution of the dispute. The representatives shall be authorised to resolve the dispute.
- 21.4. In the event of the negotiation between the designated representatives not resulting in an agreement signed by the Parties resolving the dispute within 15 (fifteen) business days, the Parties must refer the dispute for resolution by way of mediation in accordance with the rules of the Arbitration Foundation of Southern Africa ("AFSA").
- 21.5. In the event of the mediation envisaged in clause 21.4 failing in terms of the rules of AFSA, the matter must, within 15 (fifteen) business days, be referred to arbitration as envisaged below.
- 21.6. The periods for negotiation or mediation may be shortened or lengthened by written agreement between the Parties.
- 21.7. Each Party agrees that the arbitration will be held as an expedited arbitration in Pretoria, South Africa, in accordance with the then current rules for expedited arbitration of AFSA by 1 (one) arbitrator appointed by agreement between the Parties. If the Parties cannot agree on the arbitrator within a period of 10 (ten) business days after the referral of the dispute to arbitration, the arbitrator shall be appointed by the Secretariat of AFSA.

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- 21.8. The decision of the arbitrator shall be final and binding on the Parties.
- 21.9. The provisions of this clause 21 shall not preclude any Party from access to an appropriate court of law for interim relief in respect of urgent matters by way of an interdict pending finalisation of the dispute resolution process for which purpose the Parties irrevocably submit to the jurisdiction of a division of the High Court of the Republic of South Africa.
- 21.10. This clause is a separate, divisible agreement from the rest of an Order (including these Conditions) and shall remain in effect even if an Order terminates, is nullified or cancelled for whatsoever reason or cause.

22. INCORRECT CLASSIFICATION OF PREFERENCES

- 22.1. Where an Order has been awarded to the Supplier by virtue of a statement made by or on behalf of the Supplier to the effect that the Goods offered by the Supplier are entitled to a certain classification of preference for local production, manufacture or assembly or by virtue of a statement made by or/on behalf of the Supplier that the Supplier has a certain classification of preference in terms of the Broad Based Black Economic Empowered Act, No 53 of 2003, and such preference is granted by the Purchaser, and it is subsequently shown to the satisfaction of the Purchaser that such statement was false, the Purchaser may, in addition to any other remedy it may have:
- 22.1.1. summarily cancel the Order and recover from the Supplier any and all costs, losses or damages incurred or sustained by the Purchaser as a result of the award of the Order to the Supplier; or
- 22.1.2. allow the Supplier to proceed with the Order and recover from the Supplier as pre-estimated and liquidated damages an amount equal to 1% (one percent) of the Price for every percentage point by which the preference claimed by the Supplier exceeds the preference to which the Supplier is legally entitled, which amount may be deducted from the Price.

23. INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)

- 23.1. The Supplier acknowledges that it is a contravention of US legislation to supply any US origin defence equipment, service and/or technical data as defined in the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130), unless the prior written authorisation of the US Office of Defence Trade Control (DTC) (refer to ITAR 120.12) has been obtained.
- 23.2. It is the responsibility of the Supplier to identify all US origin defence equipment, services and technical data as defined in the ITAR, to be transferred and further to ensure that written DTC

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authorisation for the transfer of all US origin defence equipment, services and technical data, identified in the terms of this clause, has been granted, before the transfer of such items.

24. **US DEPARTMENT OF COMMERCE EXPORT ADMINISTRATION REGULATIONS (EAR)**

The Supplier must identify any Goods or components thereof to which a licence is required under the EAR, in which category in the Commercial Control List (CCL) they fall under and provide full details of what restrictions are applied. If a licence is not required the Supplier must identify if they are categorised as NLR or NLR EAR99.

25. **CONFLICT MINERALS**

“Conflict minerals” is defined as:

- 25.1. columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives; or
- 25.2. any other mineral or its derivatives found to be financing conflict in the Democratic Republic of the Congo or an adjoining country.

The Supplier shall ensure that any items or materials forming part of the Goods have been purchased from legitimate and responsible sources which are in compliance with United Nations resolutions and which are not in any way involved in funding conflict. If requested by the Purchaser, the Supplier shall provide to the Purchaser all relevant information regarding conflict minerals and, if relevant, indicate the source of such items and materials. The Supplier shall flow down these requirements to its suppliers.

26. **COUNTERFEIT AND PROHIBITED GOODS**

- 26.1. The Supplier represents and warrants that it has policies and procedures in place consistent with acceptable industry standards, for the avoidance, mitigation, detection and disposition of Counterfeit Goods to ensure that none of the Goods furnished under an Order are or contain Suspect Counterfeit Goods or Counterfeit Goods.
- 26.2. The Supplier warrants that only new, unused, authentic, genuine and legitimate items shall form part of the Goods supplied to the Purchaser.
- 26.3. The Supplier warrants that it shall only purchase or source items directly from OCM's, OCM authorised (e.g. Franchised) Distributors or aftermarket manufacturers. The use, purchase or sourcing of items from non OCM authorised Independent Distributors or brokers is not permitted unless first approved in writing by the Purchaser. The Supplier must present compelling support

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for its request to use such non OCM authorised suppliers for the Purchaser's approval (including but not limited to OCM documentation that authenticates supply chain traceability of the items to the OCM) and include in its request all necessary actions that it shall take to ensure those items thus procured are new, unused, authentic, genuine and legitimate items.

- 26.4. The Supplier shall maintain a method of traceability that ensures tracking of the supply chain back to the manufacturer of all items included in the Goods being supplied. This traceability method shall clearly identify the name and location of all supply chain intermediaries from the manufacturer to the direct source of each item for the Supplier and shall include the manufacturer's batch identification for the item, such as but not limited to date codes, lot codes, serializations or other batch identifications. Full supply chain traceability documentation includes, but is not limited to OCM, OEM and authorised (e.g. Franchised Distributors) supplier certificates of conformity, purchase orders and test/inspection data and/or certificates. The Order shall specify any such additional documentation (other than as specified herein) required by the Purchaser. The Purchaser reserves the right to review the Supplier's process to verify that the risk is managed in accordance with its expectations. The Purchaser may request process improvements from the Supplier, provided that such requests are reasonable and that the cost to the Supplier is reasonable.
- 26.5. In the event that the Goods delivered under an Order constitutes or includes Counterfeit Goods or Suspect Counterfeit Goods, the Supplier shall at its cost promptly replace such Counterfeit Goods or Suspect Counterfeit Goods with genuine Goods conforming to the requirements of the Order.
- 26.6. Notwithstanding any other provision in an Order, where the Supplier has policies and procedures in place for the detection and avoidance of Counterfeit Supplies, as required herein, and can provide proof that all due care was taken, all processes were followed to mitigate the risk and that the Supplier procured items from OCM, OCM authorised, approved non OCM authorised suppliers or Purchaser approved sources:
- 26.6.1. The Supplier's exclusive obligation is to repair, rework or replace at the Supplier's discretion, the affected Goods originally supplied by the Supplier, which obligation shall expire after a period of 5 (five) years from delivery. In addition, the Supplier will provide reasonable assistance to the Purchaser in root cause analysis or verification of Counterfeit Goods as well as reasonable assistance to the Purchaser in defending any legal action that the Purchaser may face as a consequence of Counterfeit Goods;
- 26.6.2. The Supplier and Purchaser shall attempt to minimize the respective cost impact to each other, as well as to the end Customer;

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- 26.6.3. The Purchaser shall seek to recover any allowable costs and the Supplier shall not be held liable for such costs;
 - 26.6.3.1. unless otherwise expressly addressed in an Order, to the extent that the authentic item needed to replace the removed Counterfeit Work is obsolete and/or commercially unavailable (i.e., the OCM no longer manufactures the item and neither it nor its authorized distributors have any remaining inventory), the Supplier shall not be responsible for replacing such items.
- 26.7. The Supplier shall not be liable for:
 - 26.7.1.1. Any costs incurred by the Purchaser;
 - 26.7.1.2. Replacement or refurbishment of Goods where such Goods are found to contain Suspect Counterfeit and/or Counterfeit Goods which were originally provided to the Supplier by the Purchaser;
 - 26.7.1.3. Any liability associated with Counterfeit Goods supplied by the Supplier due to Suspect Counterfeit and/or Counterfeit Customer Furnished Items (CFI).
- 26.8. Only in instances of negligence or intent will the Supplier be liable for all costs relating to impoundment, removal and replacement of Counterfeit Goods, including without limitation the Purchaser's costs of removing Counterfeit Goods, of installing replacement Goods and of any testing necessitated by the reinstallation of Goods after Counterfeit Goods/Suspect Counterfeit Goods have been exchanged.
- 26.9. The Supplier's liability under an Order shall not exceed 100% (one hundred percent) of the total value of the Order, and the Supplier shall not be liable to the Purchaser for consequential (to include loss of profits and business interruption), incidental, special or punitive/exemplary damages alleged to arise from, or relate to, the delivery of Counterfeit Goods.
- 26.10. The Purchaser may notify and turn Counterfeit Goods over to the relevant local or international Government authorities for investigation and the Purchaser reserves the right to withhold payment with regards to such Goods pending the results of such investigations, unless replaced by genuine Goods, in which event payment will be made without deduction or set-off.
- 26.11. The provisions of this clause 26 applies in addition to any quality provision, specification, Statement of Work or other provision included in an Order addressing the authenticity of Goods. To the extent that such provisions conflict with these provisions, the provisions of clause 26 shall prevail.

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- 26.12. The Supplier shall flow down these requirements contained in this clause 26 to the Supplier's supply chain for any items that are intended for supply to the Purchaser.
- 26.13. The Supplier shall inform its employees, contractors, workers and any other third parties (and shall procure that they inform their employees, contractors, workers and other third parties) engaged in the performance of work under an Order in writing prior to performance of work that there is a risk of criminal penalties associated with any falsification, concealment, fraud or misrepresentation in connection with work performed or Goods provided under an Order.
- 26.14. The Supplier shall notify the Purchaser as soon as it becomes aware of any Counterfeit Goods or Suspect Counterfeit Goods which arise in relation to any Goods. Suppliers eligible for utilisation of the Government-Industry Data Exchange Program ("GIDEP") shall utilise the GIDEP process to alert the industry to Counterfeit Goods or Suspect Counterfeit Goods.

27. OPEN SOURCE SOFTWARE

The Supplier shall inform the Purchaser - at the latest at the time the Order is confirmed - whether the deliveries and services to be delivered contain "**Open Source Software**". In the context of this provision "Open Source Software" means any software that is provided royalty-free by the respective licensor to any user on the basis of a license or another agreement with the right to modify and/or to distribute such software. By means of example and without limitation, Open License Terms include the following licenses: the GNU General Public License (GPL), the GNU Lesser GPL (LGPL), the BSD License, the Apache License or the MIT License. Should the deliveries and services delivered by the Supplier contain Open Source Software, the Supplier must deliver to the Purchaser at the latest at the time the Order is confirmed, the following:

- 27.1. The source code of the relevant Open Source Software, insofar as the applicable open source conditions require the disclosure of this source code;
- 27.2. A schedule of all open source files used, indicating the relevant license and including a copy of the complete text of such license;
- 27.3. A written declaration stating that through the intended use of the Open Source Software neither the deliveries of the Supplier nor the products of the Purchaser will be subject to a "Copyleft Effect". In the context of this provision, "Copyleft Effect" means that the provisions of the open source license require that certain of the Supplier's deliveries, as well as any products derived from these, may only be distributed further in accordance with the terms of the open source license e.g. only if the source code is disclosed. Should the Supplier not indicate until after receipt of the Order that its deliveries and services contain Open Source Software, then the Purchaser is entitled to cancel the Order within 14 (fourteen) days of receipt of this information and provision of all the information contained in the above clause.

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28. APPLICABLE LAW

All Orders shall be governed by and be construed according to the laws of the Republic of South Africa.

29. AMENDMENTS

The Order (including these Conditions) constitutes the entire and only agreement between the Parties thereto with respect to the subject matter contained in an Order and no amendment, variation or consensual termination of any terms or conditions of an Order shall be of any force and effect unless reduced to writing and signed by both Parties thereto.

30. CESSION

The Supplier shall not be entitled to cede, delegate, assign or in any other manner dispose of any of its rights or obligations in terms of an Order, unless the prior written consent of the Purchaser is obtained.

31. SUBCONTRACTING

31.1. The Supplier shall not subcontract any part of an Order without the prior written approval of the Purchaser, and such approval, if given, shall not release the Supplier from its obligations under such Order.

31.2. The Supplier shall ensure that these Conditions are incorporated into subcontracts *mutatis mutandis* entered into by the Supplier and that the subcontractors are bound thereby.

32. SEVERABILITY

32.1. If any one or more of the provisions of an Order (including these Conditions) should be held to be invalid, illegal or unenforceable by any competent authority, the validity and enforceability of all the other provisions thereof shall not be affected thereby.

32.2. Without detracting from the generality of the foregoing, the Parties agree to negotiate with each other in good faith to arrive at an amendment to the Order which would restore the Parties, as far as possible to the position contemplated by the Parties at the time the Order was entered into and which is legal and enforceable.

33. RELAXATION

No latitude, extension of time or other indulgence which may be given or allowed by a Party to the other Party in respect of the performance of any obligation, and no delay or leniency in the enforcement of any right of a Party, and no single or partial exercise of any right by any Party under an Order shall in any circumstances be construed to be an implied consent or election by such Party or operate as a waiver or a novation of or otherwise affect any of the Party's rights in terms of or arising from an Order or estop or

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preclude any such Party from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term hereof.

34. ADDRESSES AND NOTICES

- 34.1. The Parties choose as their *domicilia citandi et executandi* the addresses set out in the Order and agree that all notices and processes arising out of or in connection with an Order may be served on them at that address.
- 34.2. The Parties shall be entitled to change their respective *domicilium citandi et executandi* to such other address in the Republic of South Africa as which the Party concerned may notify the other in writing; provided that such address shall not be a post office box or poste restante.
- 34.3. Any notice given by the one Party to the other shall be in writing and shall, until the contrary is proved, be deemed to have been received by the addressee 7 (seven) days after it has been dispatched by pre-paid registered post to the addressee, or on the same day on which it is delivered by hand to the addressee's *domicilium citandi et executandi*, or on the following business day after it has been faxed.

35. CORRUPT PRACTICES

- 35.1. The Parties represent and warrant that they have not and will not, in the course of obtaining or performing any Order, directly or indirectly, unduly offer, pay, give, promise to pay, or authorize the giving of, any money or thing of value to any employee or official or to any person, while knowing that all or a portion of such money or thing of value will be offered, paid, given or promised, directly or indirectly, to an employee or official or other person, for the purpose of influencing any act or decision of such employee or official or other person, including a decision to fail to perform his/her lawful duty, or inducing such employee, official or other person to use his/her influence with any Government to affect or influence any act or decision of such Government to obtain or retain business or to gain an improper advantage. The Parties acknowledge that no employee has any authority to give any direction, written or oral, in connection with the making of any payment or commitment, to any third party in contravention of the foregoing.
- 35.2. A Party may summarily terminate an Order and claim damages occasioned by such termination, if it at any time reasonably determines that corrupt and/or fraudulent practices were engaged in by the employees, agents or representatives of the other Party during the procurement or the execution of an Order.

36. CONFLICTING INTERESTS

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Any potential conflict, such as employees of the Purchaser having an interest, whether directly or through family members, in the Supplier's organisation; or interests between the Supplier and the Purchaser, shall be declared in writing by the Supplier, if known to the Supplier, prior to accepting an Order and the Supplier shall promptly advise the Purchaser of any conflict or potential conflict which arises during the execution of the Order, whenever it comes to the knowledge of the Supplier.

37. CODE OF CONDUCT

The Supplier undertakes to comply with the respective statutory regulations concerning the handling of employees, environmental protection and labour safety and to work towards reducing detrimental effects on humans and the environment during its activities. For this purpose, the Supplier shall set up and further develop within the framework of its possibilities a management system according to ISO 14001 or similar internal processes and standards. The Supplier shall further comply with the principles of the Global Compact Initiative of the UN. These essentially relate to the protection of the international human rights, the right to collective wage agreement negotiations, the abolishment of forced labour and child labour, the removal of discrimination with the recruitment and employment, the responsibility for the environment and the prevention of corruption. Further information relating to the Global Compact Initiative of the UN is available under www.unglobalcompact.org.

38. GOOD FAITH

In the execution of an Order the Parties undertake to observe the utmost good faith and they warrant that in their dealings with each other that they shall neither do anything nor refrain from doing anything which might prejudice or detract from the rights, assets or interests of the other of them.

39. VALIDITY OF QUOTATION

Unless otherwise stated in the Quotation, the validity of all Quotations shall be 60 (sixty) days.