



## TERMS AND CONDITIONS OF PURCHASE

2023

These standard terms and conditions of purchase (the "Terms and Conditions") are issued by Scott Bader as buyer to the Seller in respect of the Products and/or Services. These Terms and Conditions shall apply to a Purchase Order and shall be read together as a Contract, unless otherwise specified in the Purchase Order.

### 1. DEFINITIONS

1.1 "**Acceptable Quality Levels**" means the acceptable quality levels for industry standard inspection agreed in writing between Scott Bader and the Seller;

"**Affiliate**" means, in relation to a body corporate, any entity that directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with, such body corporate, 'control' for this purpose meaning the ability to direct the affairs of another person whether by virtue of the ownership of shares, by contract or otherwise;

"**Business Day**" means any day other than a Saturday, Sunday, or Public Holiday in South Africa;

"**Business Hours**" means the period from 08h00 to 16h30 on any Business Day;

"**Contract**" means the Seller's acceptance (by way of an order confirmation) of the Purchase Order, Manufacturing Specification, Special Conditions and the Terms and Conditions set out herein;

"**Delivery**" means when the Seller has made the Products available to Scott Bader at the place / location address or with the carrier agreed upon in accordance with the Incoterms (as defined in the Incoterms in force on the date the Contract is concluded) set out in the Contract and "**Delivered**" and "**Deliver**" shall be construed accordingly;

"**Delivery Note**" means the note that shall accompany the Products and shall give full details, including but not limited to, order number, date of order, number of packages, and if part-delivery is applicable, the number of deliveries etc.;

"**Intellectual Property**" means any patent, rights to inventions, utility model, registered design, copyright and related right, database right, design right, topography right, trade mark, service mark, trade, business and domain name, right in goodwill or to sue for passing off, unfair competition right, right in computer software, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection whatsoever in any part of the world;

"**Manufacturing Specification**" means the manufacturing specification agreed in writing between Scott Bader and the Seller referred to in, incorporated into or annexed to the Purchase Order;

"**Price**" means the price payable for the Products and/or Services as stated in the Purchase Order, and unless otherwise agreed in writing, shall be inclusive of value added tax or any similar tax, and inclusive of all other charges;

"**Products**" means products or raw materials which Scott Bader agrees to purchase from the Seller pursuant to a Contract;

"**Purchase Order**" means Scott Bader's written instruction to purchase the Products and/or Services, signed by an authorised signatory on behalf of Scott Bader, including any Special Conditions and incorporating these Terms and Conditions by reference;

"**Scott Bader**" means Scott Bader (Pty) Ltd, registration number 1993/00046607, whose registered office is at 1 Lubex Road, Hammarsdale, 3650, KwaZulu-Natal;

"**Seller**" means the person, firm or company who accepts Scott Bader's Purchase Order;

"**Services**" means any service supplied by the Seller in line with Scott Bader's standard procedures or in line with agreed specification or Purchase Order; and

"**Special Conditions**" means any further conditions as applicable to, and set out in the Purchase Order.

### 2. APPLICATION AND BASIS OF PURCHASE

- 2.1 Subject to any variation under Condition 2.2, these Terms and Conditions shall govern and be incorporated in every Purchase Order and together shall form a Contract made by or on behalf of Scott Bader with the Seller and shall prevail over any terms and conditions contained or referred to in any documentation submitted by the Seller or in correspondence or elsewhere or implied by trade custom practice or course of dealing.
- 2.2 A variation of these Terms and Conditions is only valid if it is in writing and signed by Scott Bader and the Seller, including but not limited to, any price increase (arising from whatever cause).

### 3. PURCHASE ORDERS AND SPECIFICATIONS

- 3.1 Scott Bader may issue to the Seller an enquiry at any time in writing regarding the purchase of specific Products. On the basis of such a request, the Seller may provide an indicative quotation and a Manufacturing Specification to Scott Bader.
- 3.2 Scott Bader may issue a Purchase Order based on the Seller's indicative quotation and Manufacturing Specification. Each order confirmation may contain the price, quantity, payment terms, currency and confirmed Delivery date for the Products.
- 3.3 Scott Bader shall accept no responsibility for any order that is not issued in line with Scott Bader's standard Purchase Order format, unless otherwise agreed in writing.
- 3.4 The properties of specimens and samples provided by the Seller to Scott Bader are binding, and the quantity, quality and description of the sample Products shall conform with those set out in the order confirmation and the Manufacturing Specification, unless otherwise agreed in writing.
- 3.5 No order confirmation may be cancelled by the Seller except with the agreement in writing of Scott Bader and on terms that the Seller shall indemnify Scott Bader in full against all loss (including loss of profit) and costs (including the costs of all labour and materials).

### 4. CHANGE ORDER MANAGEMENT

No variation from the specifications contained in the Purchase Order shall be permitted by Scott Bader unless such variation is approved via a formal "change order request" issued by the Scott Bader Procurement Team, inclusive of, but without limitation, no price increase will be accepted without such prior approval.

### 5. DELIVERY

- 5.1 All Products shall be delivered to Scott Bader in accordance with the Incoterm stated in the Purchase Order, and in the absence of such Incoterm, all Products shall be delivered on a carriage paid basis. In the event, Delivery is not delivered by the date specified in the Purchase Order, then such Products shall be delivered by courier or other express delivery services as nominated by Scott Bader, at the Seller's cost.
- 5.2 Scott Bader shall accept no responsibility for any Products delivered without a Delivery Note or any Delivery outside of Business Hours.

### 6. PACKING

- 6.1 All products must be packed to reach the agreed delivery location in good condition without damage or degradation to the Products.
- 6.2 Products **must be packed in compliance with any packaging standards specified in the Contract or at law.**
- 6.3 Where specified and agreed, the Products shall be packed in compliance with Scott Bader's packaging standards. Any changes to the Scott Bader packaging standards must be pre-agreed in writing with Scott Bader.
- 6.4 Packaging shall be non-returnable. No further charges shall be allowed for packing, crating, freight etc., unless designated in the Purchase Order.
- 6.5 Scott Bader reserves the right to reject any Products damaged in transit.

### 7. TRANSFER OF RISK AND TITLE

- 7.1 Risk and title in the Products shall transfer from the Seller to Scott Bader upon Delivery at the address specified in the Purchase Order (including off-loading), but without prejudice to any right of rejection that Scott Bader may accrue hereunder.

### 8. SERVICES

- 8.1 The Seller shall perform any agreed Services with reasonable due, skill, care and experience, and shall use all reasonable endeavours to meet any performance dates agreed.

8.2 In its performance and delivery of the Services, the Seller shall:

- 8.2.1. observe all health and safety rules and regulations and any other security requirements that apply at any of the Scott Bader premises;
- 8.2.2. deemed to have visited the site and to have understood the nature and extent of the work on site and shall make no claims founded on its failure to do so. Scott Bader shall, on request of the Seller, grant such access as may be reasonable for this purpose.
- 8.2.3. make no delivery or commence any work on site before advising details to and obtaining the consent of Scott Bader;
- 8.2.4. use reasonable due, skill, care and experience including without limitation in the selection of its personnel;
- 8.2.5. cooperate with Scott Bader and comply with all reasonable instructions in accordance with the specifications agreed;
- 8.2.6. use all reasonable endeavours to meet any performance dates agreed; and
- 8.2.7. provide all equipment, tools, vehicles and such other items as required in respect of the Services.

## **9. QUALITY, INSPECTION AND DEFECTS**

- 9.1 The Products shall be of the best quality, material and workmanship and conform in all respects with the Purchase Order and Manufacturing Specification and be fit for any stated purpose for which they have been procured.
- 9.2 Scott Bader's rights under these conditions are in addition to the statutory conditions implied in favour of Scott Bader.
- 9.3 At any time prior to delivery (and separately upon Delivery) of the Products to Scott Bader, Scott Bader shall have the right to inspect and test the Products and request proof of conformity of the Products and the Seller with Scott Bader's required standards.
- 9.4 If the results of such inspection or testing cause Scott Bader to be of the opinion that the Products do not conform or are unlikely to conform with the Purchase Order, Manufacturing Specification or Acceptable Quality Level, Scott Bader shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition Scott Bader shall have the right to require and witness further testing and inspection.
- 9.5 Notwithstanding any such inspection or testing, the Seller shall remain fully responsible for the Products and any such inspection or testing shall not diminish or otherwise affect the Seller's obligations under the Contract. Scott Bader, at all times, reserves its rights to reject the Products as a result of any fault or defect.

## **10. PAYMENT**

- 10.1 The Seller shall invoice Scott Bader within three (3) Business Days of the Products being delivered.
- 10.2 Unless otherwise stated in the Purchase Order, the Price quoted by the Seller shall be deemed to be inclusive, without limitation, of all taxes, duties, freight, insurance and packaging charges.
- 10.3 Scott Bader shall pay the Price unless otherwise agreed, on sixty (60) Business Days from the end of the month from when the Seller's invoice is received by Scott Bader, but time for payment shall not be of the essence of the Contract.
- 10.4 Payment by Scott Bader for any Products does not constitute a waiver of any rights hereunder, without limitation, any right or prejudice, and Scott Bader reserves the right to set off any amount owing at any time from the Seller to Scott Bader against any amount payable by Scott Bader to the Seller.
- 10.5 Payment for the Products by Scott Bader shall be payable in the currency specified in the Purchase Order.
- 10.6 No variation in the Price nor extra charges shall be accepted by Scott Bader that have not been approved by Scott Bader via the formal Change Order Management process in condition 4 above.

## **11. WARRANTIES**

- 11.1 The Seller warrants that: the Products comply with all requirements set out in the Contract and are of good quality and free from any defects; and that the Services provided will be performed in line with the requirements set out in the Contract. The Seller's warranties shall be applicable for a period of, whichever is later: 18 months from the first operation or 24 months from the date of Delivery of the Products and/or Services.

## **12. COMPLIANCE**

- 12.1 The Seller, at all times, represents and warrants that:

- (a) it has full and merchantable ownership to the Products and that they are sold clear of all defects in design, material, ownership, liens, taxes and encumbrances;
- (b) it has, and shall maintain all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract;
- (c) it has complied with all applicable statutory requirements and all regulations relating to the use, production, manufacturing, repairing, pricing, transporting (including import), storage and delivery of the Products in all relevant jurisdictions where such activities have taken place;
- (d) it shall observe all health and safety rules and regulations and any other security requirements that apply;
- (e) time shall be of the essence in respect of the performance and Delivery of the Products and/or Services;
- (f) it has not given any commissions, payments, kickbacks, gifts of substantial value, excessive entertainment or bribes to anyone (or any violation of the Prevention and Combatting of Corrupt Activities Act 12 of 2004), including any employee of Scott Bader, in order to obtain any Purchase Order and it has declared to Scott Bader before the Contract any individual or personal relationships there may be between its representatives and representatives of Scott Bader;
- (g) it does not itself, and does not use suppliers who, use child labour, or any other labour which is in breach of the basic principles of the **Prevention and Combating of Trafficking in Persons Act, 2013 (Act No.7 of 2013)**
- (h) it has not engaged, and shall not engage, in any activity, practice or conduct which would constitute a tax evasion offence under applicable law, and it shall maintain such policies and procedures as are reasonable to prevent the facilitation of tax evasion by its own representatives or by another person, and it shall inform Scott Bader if it becomes aware or has reason to believe that it, or any person associated with it, has received a request or demand from a third party to facilitate the evasion of tax;
- (i) it shall comply with all applicable anti-money laundering and financial crime laws and all applicable sanction rules; and
- (j) it maintains insurance cover with reputable insurers in respect of public and product liability, employers liability, professional indemnity and such other classes as are appropriate to the circumstances of the relevant Purchase Order.
- (k) it shall comply with all data protection laws applicable to controllers in connection with this Contract.

12.2 If any of the Products and/or Services fail to comply with the provisions set out in this Condition 12, or if the Seller is in breach of any warranties stated, Scott Bader shall be entitled to avail itself of any one or more remedies listed in Condition 19.

### **13. FREE ISSUE MATERIALS**

13.1 In the event free issue materials are provided to the Seller for incorporation, such materials shall remain the property of Scott Bader, but shall be at the risk of the Seller whilst in the possession of Scott Bader. Such materials may only be used in accordance with a purchase order.

### **14. CONFIDENTIALITY**

14.1 The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, Intellectual Property, personal data, processes or initiatives and have been disclosed to the Seller by Scott Bader or its agents and any other information concerning Scott Bader's business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or sub-contractors on a need to know basis and shall ensure that such employees, agents or sub-contractors are subject to the same obligations of confidentiality as bind the Seller.

### **15. INTELLECTUAL PROPERTY RIGHTS**

15.1 Seller acknowledges that any and all of the Intellectual Property in drawings, concepts or other materials that Scott Bader may provide to Seller in connection with the Contract shall remain the exclusive property of Scott Bader and Seller shall not during or at any time after the expiry or termination of the Contract in any way question or dispute the ownership of any such rights of Scott Bader.

15.2 Seller agrees that any new Intellectual Property that arises in connection with the Contract, or products belonging to Scott Bader, shall be owned absolutely by Scott Bader. Seller hereby assigns to Scott Bader with full title and guarantee all rights in and to any such new Intellectual Property for the full duration of such rights, wherever in the world enforceable, and shall procure such an assignment from any employee, consultant or any other party who is involved with the Contract. Seller agrees to execute (or procure that the employee, consultant or any other party it shall involve with the Contract executes) all documents and assignments and do all such things as may be necessary to perfect Scott Bader's title to the new Intellectual Property or to register Scott Bader as owner of all registrable rights.

15.3 Without prejudice to Conditions 15.1 and 15.2, Seller agrees that, if called on to do so by Scott Bader, it will, agree to execute such documents, perform such acts and cooperate in the provision of all necessary assistance and information reasonably required by Scott Bader for purposes of ensuring that any new Intellectual Property is absolutely assigned to and vested in it, provided always that Scott Bader shall reimburse Seller for any expenses reasonably incurred by it in such regard.

## 16. INDEMNITY

16.1 The Seller shall keep Scott Bader indemnified in full against all direct, indirect or consequential liabilities (all three of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by Scott Bader as a result of or in connection with:

- (a) defective workmanship, quality or materials including a failure to meet the Acceptable Quality Levels or the lack of reasonable skill and care;
- (b) an infringement or alleged infringement, including by any third party, of any Intellectual Property rights and/or information rights caused by the use, manufacture or supply of the Products and/or Services; and
- (c) any claim made against Scott Bader in respect of any liability, loss, damage, injury, cost or expense sustained by Scott Bader's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Products and/or Services as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance or quality of the terms of the Contract by the Seller.

## 17. LIMITATION OF LIABILITY

17.1 Scott Bader's total aggregate liability (whether in contract, tort (including negligence) or otherwise, arising out of or connection with these Terms and Conditions shall not exceed the price allocable to the product (or the contract value in respect of Services), which gives rise to the claim.

17.2 Scott Bader shall not in any circumstance be liable for any direct, indirect, special, punitive, incidental or consequential damages, including, without limitation, loss of profits, revenue, goodwill, anticipated profits or savings, or cost of capital.

## 18. FORCE MAJEURE

18.1 Neither party shall be liable for failure to fulfil its obligations under this Contract if it is prevented from or delayed in the carrying on of its business due to circumstances beyond its reasonable control including, but not limited to, natural disasters, war or national emergency or security issues, acts of terrorism, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs etc. ("**Force Majeure**"). The Seller shall, promptly, in all circumstances use best endeavours to arrange an alternative solution. In such circumstances Scott Bader reserves the right to defer the date of Delivery or Payment, and/or to cancel the Contract or reduce the volume of the Products ordered. If the event in question continues for a continuous period in excess of 15 Business Days, Scott Bader shall be entitled to give written notice to the Seller to terminate the Contract.

18.2 Shortage of labour, materials or utilities or delays by subcontractors shall not by themselves constitute Force Majeure unless they are caused by circumstances, which are Force Majeure circumstances within the meaning of this clause.

18.3 Costs arising from Force Majeure circumstances shall be borne by the party incurring such costs.

## 19. TERMINATION

19.1 On or at any time after the occurrence of any of the events in Condition 19.2, Scott Bader may, at its sole discretion, stop any Products in transit, suspend further deliveries and/or terminate any Contract with the Seller with immediate effect by written notice to the Seller.

19.2 The events are:

- (a) the Seller being in material breach of an obligation under a Contract;
- (b) the Seller passing a resolution for its winding up or a court of competent jurisdiction making an order for the Seller's winding up or dissolution;
- (c) the making of an administration order in relation to the Seller or the appointment of a receiver order, or an encumbrancer taking possession of or selling, any of the Seller's assets; or
- (d) the Seller making an arrangement or composition with its creditors generally or applying to a court of competent jurisdiction for the protection of its creditors.

19.3 The termination of a Contract for whatsoever reason, shall be without prejudice to the rights and duties of Scott Bader accrued prior to termination. The conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.

## **20. LIQUIDATED DAMAGES**

20.1 If the Seller fails to make a delivery on time or as stipulated in the Contract, the Seller shall pay liquidated damages for such delay, in an amount between two percent and up to (but no more than) ten percent of the Price, for each week of delay in respect of the Purchase Order. A partial week shall be rounded up to the subsequent week. The Seller agrees that given the difficulty in ascertaining losses, that this sum is not a penalty, and agrees that this sum is reasonable measure of damages.

## **21. REMEDIES**

21.1 Without prejudice to any other right or remedy which Scott Bader may have, if any Products or Services are not supplied in accordance with, or the Seller fails to comply with, any of the terms of the Contract or otherwise, Scott Bader shall be entitled to avail itself of any one or more of the following remedies at its discretion, without liability, whether or not any part of the Products have been accepted by the Scott Bader:

- (a) to cancel the Contract in whole or in part;
- (b) to reject the Products (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Products so returned shall be paid immediately by the Seller;
- (c) at Scott Bader's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the Products or to supply replacement Products and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;
- (d) to refuse to accept any further deliveries of the Products but without any liability to the Seller;
- (e) recover from the Seller any expenditure reasonably incurred by Scott Bader in obtaining the Products in substitution from another supplier;
- (f) to carry out, at the Seller's expense, any work necessary to make the Products and/or Services comply with the Contract; and
- (g) to claim such damages as may have been sustained in direct or indirect consequence of the Seller's breach or breaches of the Contract.

## **22. ASSIGNMENT**

22.1 The Seller may not assign or transfer, or purport to assign or transfer, any of its rights or obligations under a Contract without Scott Bader's prior written consent. Scott Bader may assign all or any of its obligations under a Contract to any Affiliate of Scott Bader.

## **23. DELAY NOT A WAIVER**

23.1 No delay by either Scott Bader or the Seller in enforcing any of these Terms and Conditions shall be deemed a waiver of that party's right subsequently to enforce such term and/or condition.

## **24. SUPPLIER PARTNERSHIP MANUAL**

24.1 In connection with the Seller's performance of any Contract, the Seller agrees and acknowledges to act consistently with Scott Bader's Supplier Partnership Manual as available on Scott Bader's website.

## **25. GOVERNING LAW AND JURISDICTION**

25.1 These Terms and Conditions and any Contract made under them shall be governed by and construed in accordance with South African law and the courts of South Africa shall have exclusive jurisdiction. Nothing in these conditions shall limit the right of Scott Bader to take proceedings against the Seller in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.