GENERAL TERMS AND CONDITIONS OF PROCUREMENT

Conlog (Pty) Ltd subscribes to a strict code of Business Conduct, Ethics and Principles of Responsibility.

South Africa is a Party to the OECD Convention and we fully support its mission in corruption.

1. Definitions

1.1 "Conlog" refers to Conlog (Pty) Ltd.

1.2 "Supplier" means any company who has agreed to provide Service/s and/or Good/s to Conlog.

1.3 "Goods" shall mean any goods sold by the Supplier to Conlog or repaired or modified for Conlog or its customers by the Supplier, or any services provided by the Supplier in terms of a contract as detailed on a Purchase Order from Conlog.

1.4 "Force majeure" events or circumstances shall include unforeseeable circumstances that interrupt the expected course of events and restricts parties that have formed an agreement, from fulfilling obligations contemplated within the terms of that respective agreement between the parties.

2. General provisions – Acceptance

2.1 If an acceptance procedure is provided for under the specific terms of the Order expressly accepted by the parties, such procedure is the instrument by means of which, at the Supplier's initiative, Conlog represents that it accepts (with or without reservations) the Supplies, works and/or expert services which are the subject matter of the Order (hereinafter referred to as the "Goods").

2.2 The acceptance of any Order by the Supplier implies acceptance of price and ipso facto acceptance of these General Terms and Conditions of Procurement which are an integral proof of acceptance or delivery slip, duly signed by one of its authorised representatives.

2.3 No early deliveries of Goods/Services may be made without Conlog's prior and written agreement.

3. Delivery – Acceptance of delivery

3.1 The effective delivery date is the date stamped by the receiving agent of the goods on the receipt as stipulated by Conlog at the time of delivery OR the date of completion of all expert services as prescribed in the Order.

4. Lead-times – Liquidated Damages

4.1 In the event of delays in delivery or acceptance, which are not attributable to an event of force majeure or to Conlog's negligence, the Supplier shall owe penalties for delay calculated on the total amount of the Order at a rate of 1% per calendar week of delay up to a maximum of 10% of this amount.

4.2 Over and above this maximum limit, Conlog reserves the right:

- to claim its actual loss from the Supplier; and
- to unilaterally announce, at any time and as of right, total or partial termination of the Order for breach of the Supplier (without prejudice to any damages), with, in this case, the extent of the delay being considered purely and simply as a default of the Supplier.

5. Modifications

5.1 At any time during performance, Conlog reserves the right to change the volumes and/or the nature of the Goods, without the Supplier being entitled to claim any penalties on these grounds, nor to change the unitary prices decided upon pursuant to the basic Order issued by Conlog.

5.2 The conditions under which such an addendum shall be considered as having been accepted are those set forth hereinabove. Where applicable, the addendum shall specify the new contractual delivery / acceptance dates.

6. Transfer of risks

6.1 Notwithstanding any verification work or acceptance procedure in the Supplier's premises, the transfer of risks takes place upon delivery of the Goods. If an acceptance procedure is provided for, the Supplier nevertheless continues to bear the inherent risks affecting the Goods until Conlog issues an acceptance statement without reservations.

6.2 In all cases, the Goods are transported at the Supplier's risk.

7. Packaging and documentation

7.1 The Goods are delivered with the packaging required for its warehousing and due and proper preservation.

7.2 The Goods are delivered together with the documentation required for its use, maintenance and upkeep.

8. Verification

8.1 The Supplier is responsible for verifying and certifying, under its responsibility, the compliance of the Goods with the conditions applicable to it under Conlog's specifications, with which the Supplier hereby represents that it is perfectly familiar. Under no circumstances shall the verification work carried-out by Conlog prior to, during or subsequent to delivery / acceptance discharge the Supplier from this obligation.

9. Shipping

9.1 At the same time as any shipping of the Goods, the Supplier shall send to Conlog, by mail, a copy of the dispatch note mentioning the references and date of the Order, the number of parcels and an exact description of the shipped Goods.

9.2 The original of this note shall accompany each shipment of parcels, together with the certificates of conformity and the verification reports.

10. Non-Acceptance of Goods and/or Services

10.1 Conlog may inform the Supplier of the nonacceptance of any Goods which is found to be non-compliant with the specifications of the Order. Any Goods having been deemed non-accepted shall be considered as not having been delivered/accepted and shall be taken-back by the Supplier, at its expense, within the 48 business hours following receipt of the communication of nonacceptance. Otherwise, the Goods shall be sent back to the Supplier at its expense and risk.

10.2 In case of non-acceptance, Conlog shall be entitled to request the Supplier to replace the Goods within the given time period or to unilaterally terminate the Order without prejudice to its rights accruing from the governing law.

11. Invoicing

11.1 All invoices for payment shall be provided to Conlog by sending one original copy to the invoicing address mentioned in the Order and shall imperatively contain Conlog's references and those of the corresponding Order.

11.2 Each invoice relates to only a single Order and shall include the description of the Goods invoiced, and the unitary prices and volumes delivered.

11.3 Conlog reserves the right to suspend payment of any invoice which fails to comply with regulatory provisions and/or those of this clause.

11.4 Any disagreement by Conlog as regards to the volume or quality of the delivered Goods or the invoiced price, shall lead to the issuing of either a debit note or an invoice of Conlog to the Supplier. The Supplier shall have fifteen (15) days as from the issuing of the debit note during which to challenge the latter.

12. Prices and terms of payment

12.1 Unless otherwise provided in the Order, the prices mentioned in the Order are firm and non-revisable and are understood as being carriage paid and inclusive of packaging expenses.

12.2 In the absence of provisions to the contrary in the Order, payments are made by electronic bank transfer at sixty (60) days from the date of the statement.

12.3 Debit notes issued by Conlog shall be automatically deducted from payments subject to Conlog having received the corresponding invoice.

12.4 All the provisions of this Order shall be considered as having been definitively accepted by the Supplier within ten (10) business days after its receipt, unless reservations are sent within this timeframe, in writing, to the relevant Conlog personnel managing the Order, whose contact details appear on the first page of the Order.

12.5 It is hereby specified that Conlog's procurement commitment, that is, the validity of the Order placed with the Supplier is dependent on the latter's acceptance of all the provisions of the Order.

13. Assignment or subrogation of the receivables, rights and/or obligations under the Order

13.1 The Supplier undertakes not to assign or transfer the whole or part of its receivable under the Order without having duly informed Conlog's Supplier Accounts Department in writing at least fifteen (15) days beforehand. This prior information procedure also applies to any agreement (its termination, expiry date, changes, etc.) relating to a factoring operation.

13.2 The Supplier also undertakes not to assign / transfer the whole or part of the rights and/or obligations under the Order without Conlog's prior and written authorisation.

13.3 Should the Supplier have signed a factoring contract and have duly notified Conlog thereof, all its invoices shall be paid to the factoring company with which it concluded the contract.

14. Moulds, tools, test resources (hereinafter referred to as the "Equipment")

14.1 Notwithstanding any Tooling Agreement document signed between Conlog and the Supplier:

14.1.1 Any equipment manufactured specifically in the context of performing the Order becomes the exclusive property of Conlog as soon as it is created and may only be used by the Supplier in order to meet Orders placed by Conlog.

14.1.2 If it is deposited in the Supplier's premises, this Equipment shall have an ownership plate in Conlog's name affixed to it, and it shall be immediately returned to the latter, in good working order, at its first written request. The Supplier is responsible for maintenance and routine repair work to the Equipment at its expense. It shall be the custodian of the Equipment, at its risk, and ensure that it is sufficiently covered by its own insurance policies.

14.1.3 In the event of an incident, the Supplier. shall repair the Equipment at its expense in the best allowable time or, if it is considered as being irreparable, it shall indemnify Conlog up to the limit of its replacement value and in any case as a minimum for an amount equals to 25% of its replacement value.

15. Contractual warranty

15.1 Operational warranty

15.1.1 The Supplier undertakes to provide a warranty to Conlog against any design, manufacturing and/or material defect affecting the Goods for a period of not less than twenty-four (24) months from delivery or acceptance, if an acceptance procedure is provided for.

15.1.2 As a result, should Conlog or its own customer notice a defect / malfunctioning affecting the Goods, the Supplier undertakes to rectify, repair or replace the Goods at its expense (including any staff travel, dismantling / reassembly expenses) so that the latter operates in full compliance with the provisions of the Order and the use for which it is intended.

15.1.3 Should the Supplier be called upon to honour its warranty, but fails to effectively do so within fifteen (15) calendar days of receipt of such notice of defect, Conlog reserves the right, without prejudice to any other rights that Conlog may have in law, to cancel the order or intervene or to have any third party intervene instead of the Supplier at the latter's expense.

15.1.4 Any service furnished and/or any item replaced / rectified / repaired under this warranty are themselves guaranteed for a period of not less than twentyfour (24) months under the abovementioned conditions.

15.1.5 Items / services with a normal lifecycle of less than twenty-four (24) consecutive months will be excluded from the scope of this operational warranty.

16. Indemnity

16.1 The Supplier shall indemnify Conlog from all actions, costs, claims, demands and liabilities whatsoever brought or made or arising under any Statute or any common law, or in any other way in respect of personal injury to or death of any person or in respect of any loss or destruction of or damage to property not attributable to any act or neglect of Conlog or of any person for whom Conlog is responsible but which shall have occurred in connection with any work executed by the Supplier against the order or shall be attributable to some defect in the goods.

17. Intellectual property

17.1 Any study (its results and its various constituent elements such as the drawing, diagram, model, prototype, etc..) carried-out by or for the Supplier pursuant to meeting the Order is the exclusive property of Conlog.

17.2 Consequently, the Supplier undertakes not to use / exploit (or allow a third party to do so) said study results / items for purposes other than meeting the Order.

17.3 If specific software is supplied under the Order, its acceptance implies ipso facto the Supplier's assignment to Conlog of the exclusive rights of use / exploitation / commercialisation of said software. The Supplier also undertakes to provide Conlog, at its 1st request, with the source and object code of said software as well as the associated documentation.

17.4 The Supplier holds Conlog totally harmless in respect of any action or lawsuit instituted by third parties based on a claim relating to the intellectual property rights covering the Goods delivered under the Order. Pursuant to such proceedings, and independently of any other penalty, all the procedural expenses (included lawyers' fees) and damages which Conlog may be ordered to pay, shall be fully assumed by the Supplier.

18. Confidentiality – Publicity

18.1 Any information, regardless of its nature (technical or commercial) or its support medium, exchanged between the Parties, or to which either party may have access in the context of the Order, shall be considered by the recipient party as being strictly confidential and exclusively reserved for the purpose of performing the Order, to the exclusion of any and all other use.

18.2 Moreover, and unless it has Conlog's express and prior agreement, the Supplier undertakes not to mention its business relationship with Conlog to third parties, nor to exhibit the whole of or part of the Goods manufactured from technical documents or specifications owned by Conlog.

19. Insurance

19.1 At Conlog's first request, and in any case within ten (10) business days as from acceptance of the Order, the Supplier undertakes to provide it with proof of its insurance policies and/or any certificate to be issued by its insurance companies, and to take-out with the latter, at Supplier's expense, any additional insurance cover which Conlog may consider to be reasonably necessary in light of the risks relating to performance of the Order.

20. Termination

20.1 Conlog may unilaterally and automatically terminate the Order without the Supplier being entitled to claim any indemnity whatsoever in this respect, in the following cases:

20.1.1 Fifteen (15) days after sending a formal notice left unremedied that the Supplier breached any of its obligations under the Order.

20.1.2 With immediate effect in the event of:

20.1.2.1 Court-ordered, or out-of-court dissolution or liquidation,

20.1.2.2 An event of force majeure, the consequences of which last for more than six (6) weeks,

20.1.2.3 The contractual delivery times being overrun, if such cause the maximum amount of penalties to be reached,

20.1.2.4 Non-Acceptance of Goods in accordance with the provisions of clause 10 above.

20.2 In the event of Conlog cancelling the Order in terms of this clause, all or any part of the Goods Conlog shall be entitled to purchase a like quantity of goods of similar description and quality and in that event the Supplier shall be liable to reimburse Conlog on demand for all expenditure and loss incurred by Conlog in connection with the said cancellation and repurchase including any increase in the price over that stated in the order.

21. Governing law and Disputes

21.1 The Order between Conlog and the Supplier is governed by the laws of the Republic of South Africa.

21.2 The Parties shall use all reasonable efforts to resolve any dispute that may arise under an Order through good faith negotiations. Each Party shall nominate a senior representative of its management to meet at any mutually agreed location to resolve the dispute. If negotiations do not result in a mutually acceptable resolution, the dispute shall be handled in accordance with clause 21.3 herein.

21.3 Any dispute or difference arising out of or relating to an Order shall be referred to arbitration and settled by arbitration according to the rules then in effect of the Arbitration Foundation of Southern Africa. Such arbitration shall be held in the jurisdiction of South Africa, and conducted in the English language, and presented before one arbitrator appointed in accordance with the said rules. These provisions shall not prevent either Party to approach any court or other judicial forum having appropriate jurisdiction to obtain timely injunctive or other relief in cases of urgency.

21.4 Any dispute or difference arising out of or relating to any Order issued which is unable to be settled out-of-court, shall be the sole jurisdiction of the Court of the Magistrates court of South Africa even in the event of summary proceedings, the introduction of third parties or multiple defendants.

22. Sustainable development

22.1 The Supplier undertakes to comply with the following principles:

22.1.1 The OECD's guidelines on sustainable development, which may be consulted on the following website:
http://www.oecd.org/topic/0,3699,en_2649_37425_1_1_1_1_37425,00.html

22.1.2 The ten principles of the United Nations Global Compact on human rights, labour standards, the environment and anti-corruption, which may be consulted on the following website:
http://www.unglobalcompact.org/Languages/french/index.html

22.2 In order to enable use of the Goods in total safety, the Supplier:

22.2.1 undertakes to comply with all the national legislation and regulations applicable at the delivery address specified in the Order.

22.2.2 undertakes to ensure that none of its Goods contains one or more of the hazardous substances referred to in the European Directive 2011/65/EU of 8 June 2011 in its Annex II ,

22.2.3 undertakes to comply with all the obligations concerning substances which are restricted and/or banned in the European Union and those listed in the REACH Regulation (EC 1907/2006) and in the texts of its resulting amendments, the annex XIV and XVII, and,

22.2.4 undertakes to systematically comply with the legislation and regulations relating to the ban on, or restriction of, the use of certain products or substances which are effective when the Order is placed, both in the European Union and in other countries, if such is specified in the Order and/or the specifications, or which may become applicable up to the delivery date of the Goods.

22.3 Within forty-five (45) days of receipt of a request from Conlog, which may be accompanied by a list which Conlog may have sent to it and, otherwise, on the basis of the effective lists of restricted substances, the Supplier shall advise Conlog of the presence of such substances in its Goods.

22.4 At Conlog's first request, the Supplier shall provide it with all supporting documents required during the legal timeframe for conserving documents.

22.5 The Supplier shall compensate Conlog for all costs, damages and losses borne by Conlog and/or for which it is found liable under third-party claims, owing to the Supplier's failure to comply with any of the provisions of this Clause 22.

22.6 Moreover, should the Supplier decide to change the composition of the Goods, it shall advise Conlog thereof at least nine (9) months prior to the date when such change becomes effective.

23. Anti-Corruption

The Supplier shall:

23.1 Comply with all applicable laws, regulations and sanctions relating to Antibribery and anti-corruption including but not limited to the Prevention and Combating of Corrupt Activities Act, 12 of 2004, section 5, gives effect on Bribery of Public Officials in International Business Transaction;

23.2 Not bribe any other person, intending to obtain or retain business or a business advantage nor engage in any activity, practice or conduct which would constitute an offence under sections 3 – 21 of the Prevention and Combating of Corrupt Activities Act;

23.3 Comply with the Company's Ethics, Anti-bribery and anti-corruption Policies which the Company or the relevant industry body may update from time to time (Relevant Policies).

23.4 Have and shall maintain in place throughout the term of this agreement its own policies and procedures, including but not limited to adequate procedures under the Prevention and Combating of Corrupt Activities Act, to ensure compliance with the Relevant Requirements [the Relevant Policies];

23.5 Ensure that all persons associated with the Customer comply with this Clause '24'; and;

23.6 Within 1 month of the date of this agreement, and annually thereafter, certify to the Company in writing, signed by an officer of the Customer, compliance with this Clause '24' by the Customer and all persons associated with it and all other persons for whom the Customer is responsible. The Customer shall provide such supporting evidence of compliance as the Company may reasonably request.

23.7 Breach of this Clause '24' shall be deemed a material breach OR breach of a material clause as contemplated under Clause '21'. The Company undertakes fully to indemnify and hold harmless respect of all costs, losses, damages, expenses (including professional and legal fees on an indemnity basis) and other liabilities arising from any breach of this Clause.

23.8 For the purpose of this Clause '24', the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section Prevention and Combating of Corrupt Activities Act.

24. Management of Product / Process changes

24.1 The Supplier shall inform Conlog in writing of any decision to stop marketing the Goods or any major changes made to the Goods or to its manufacturing process and, in particular, any changes affecting the processes, including any material changes in its or its sub-contractors' IT Processes, the procurement of critical components, the Goods' design, the location of the plant(s), provided such changes impact or may impact on the Goods' technical specifications, compliance with standards, lifecycle, reliability or quality. The Supplier. shall inform Conlog in writing nine (9) months prior to the marketing end date or the date scheduled for the implementation of any major change. Conlog reserves the right to refuse any major change. All major changes remain under the full responsibility of the Supplier. The Supplier shall repay to Conlog all the costs borne by the latter during, or in the context of, the reclassification of the Goods and/or component affected by the major change.

25. Compliance of goods and inspection

25.1 Notwithstanding Clause 6, Conlog accepts no risk in respect of any goods, unless and until goods have passed the compliance tests and in the meantime the goods that have not passed the compliance test shall remain in the Supplier's risk in all respects.

26. General

26.1 Conlog reserves the right, in the event of any deviation and/or breach of these terms and conditions agreed between the parties, to invalidate the contractual agreement that is in place between both parties, in part or whole.

26.2 Any part, provision, representation or warranty of the respective agreement, which is prohibited, or which is held to be void or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

ACCEPTANCE OF TERMS & CONDITIONS

- This GENERAL TERMS AND CONDITIONS OF PROCUREMENT document forms a total of 3 pages.
- Signing herein indicates the acceptance of these Conlog Terms & Conditions. For and on behalf of the Supplier, wherein the signee assures the Company of respective locus standi to sign and authority to contract on behalf of the Supplier:

SUPPLIER DETAILS

COMPANY NAME_____

CO. REG NO.: _____

COMPANY REPRESENTATIVE

NAME: ……

DESIGNATION: ……

Sign…….

Signed at _____

On this _____ day of _____ 201_____

AS WITNESS

NAME: ……

DESIGNATION: ……

Sign…….

Signed at _____

On this _____ day of _____ 201_____

CONLOG REPRESENTATIVE

NAME: ……

DESIGNATION: ……

Signed at _____