



**Donaldson Filtration Systems (Pty) Ltd**  
**Registration Number: 1965/008167/07**  
**(hereinafter referred to as "the Buyer")**  
**PURCHASE ORDER TERMS**

These Terms and Conditions ("Terms") govern the purchase of Goods and/or Services sold or supplied to the Buyer on its Purchase Order ("Order"). "Supplier" means the party selling the Goods and/or Services as identified in the Order. The parties agree that these Terms shall govern all purchases made by the Buyer. This Order constitutes the Buyer's offer to purchase from the Supplier. None of the terms and conditions contained in this Order may be added to, modified, superseded or otherwise altered except in writing signed by an authorized representative of the Buyer and each shipment received by the Buyer shall be deemed to be only upon these terms, notwithstanding any terms and conditions in any acknowledgment, acceptance, invoice and notwithstanding the Buyer's act of accepting or paying for any shipment or similar act of the Buyer.

**ACCEPTANCE**

The Supplier must acknowledge the Order within 1 (one) business day of receipt date by submitting via Oracle iSupplier Portal, or another mutually agreed method, either: a) full acceptance or; b) a change request(s). Exceptions must be submitted with a Change Request via Oracle iSupplier Portal or in another mutually agreed method. Regardless of whether the Supplier has done so, the Supplier has accepted an Order (including these Terms) if the Supplier gives a verbal, written or electronic acknowledgement of or initiates its performance under that Order. No additional or conflicting term in any Supplier acknowledgement, invoice, bid, proposal or other documentation is binding on the Buyer, unless the Buyer specifically agreed to such in writing. All Goods and Services will be delivered to the Buyer in strict conformance with any packaging, specifications, statements of work, standards and other requirements provided by the Buyer.

**INFORMATION REQUIRED**

All deliveries must be accompanied by the relevant supporting documentation and must include the respective official purchase order number. All invoices must contain all the necessary information as per the applicable South African Value Added Tax legislation and requirements, in addition to the respective purchase order numbers. No deliveries will be accepted if the seller's documents do not contain the official purchase order number. Invoices will not be paid by the buyer if there is no official purchase order issued.

**PRICES AND PAYMENT**

Goods and Services will be paid as per the price reflecting on the official order and in accordance with the agreed payment terms, unless otherwise agreed to in writing by the Buyer. Payment terms will be agreed upon in writing between the parties. The Buyer's payments may be adjusted for the Supplier's errors, defects or non-compliance with the Order. Incomplete orders may be returned to the Supplier unless otherwise agreed to in writing between the parties. The Supplier warrants that the prices being paid by the Buyer are not affected by collusion or any other anti-competitive activity.

All outstanding invoices/amounts shall be paid according to the agreed payment terms provided that the outstanding invoices/amounts due for payment are not in bona fide dispute or under bona fide query and subject to the following requirements:

the buyer shall not make payment on any invoice that does not meet SARS regulations;  
invoices that do not reach the Buyer by close off noon on the last working day of a month unless the Buyer has notified the Supplier differently, will only be processed in the next month, payment will follow according to the payment terms from the processing date of invoice;  
statements should reach the Buyer's accounts payable department by no later than the 10<sup>th</sup> day of a month. Faxed/E-mailed and posted statements will be accepted; and  
payment will only be remitted on receipt of the Supplier's statement.

Payments will only be validated after the Buyer has received the Supplier's banking details on an original company letterhead or in a credit application form that has been signed by an authorized employee of the Supplier. In order to change previously submitted banking details the Supplier would need to submit changes in the same manner.

All payments shall be processed as per the remittance advice that will be e-mailed/posted or faxed for the attention of the Supplier's Accounts Receivable Department who shall acknowledge receipt thereof.

All orders placed by the Buyer shall only be deemed valid only if such request is transacted by way of an official purchase order issued.

The Buyer shall not be held liable for payment of any interest charges on any amount outstanding, unless otherwise agreed to in writing.

The Buyer shall not be held liable for any handling charges/fees for returning goods for credit or replacement that were received damaged, defective, not to the specifications provided or that was received in a non-salable condition.

**INVOICES**

Invoices may not be sent prior to the ship date of any Goods or the completion of any Services unless agreed otherwise in writing between the parties.

All invoices should comply with the South African Value Added Tax legislation and requirements.

An invoice/statement/certificate signed by a director, owner, member or authorized representative of the Supplier will not be sufficient proof that the amount is due, owing or unpaid.

The Buyer shall not be held liable for any attorney's legal fees/collection fees/ commission or tracing charges in respect of any outstanding invoices/amounts.

#### **PACKING SLIPS**

Itemized packing slips/Delivery notes must accompany each shipment. Buyer's count will be final on all shipments.

#### **TERMINATION**

Buyer reserves the right to terminate all or any part of this Order upon written notice to the Supplier and within reasonable time. Buyer shall not be liable for any charges or expenses that the Supplier may have incurred before the normal or reasonable lead time that was necessary to fulfill an Order, nor for any expenses, charges, or liabilities incurred or arising subsequent to the Buyer's notice of termination, all without prejudice to any other of the Buyer rights.

#### **WARRANTIES AND REMEDIES**

In addition to all implied and express warranties available under these Terms, Supplier warrants that: (a) all Goods and Services will be free from any encumbrance and conform to all Buyer's requirements and the applicable Order; (b) all Goods will be without any defect in design (except to the extent designed by the Buyer), processing, materials and manufacture; (c) all Goods will be made or processed and all Services will be performed in compliance with all laws applicable to the Goods, Supplier and its business and with sound environmental, health and safety practices consistent with all requirements and documents referenced herein or in any Order. The Supplier also warrants that: (a) Supplier has the expertise and the resources to perform its obligations under any Order (including these Terms); (b) no Goods or Services infringes any third party's intellectual property rights; and (c) Supplier has no third-party obligations that conflict in any way with the Supplier's obligations under these Terms.

In addition to all available remedies, the Buyer may reject Goods or Services not meeting the Supplier's warranties and (a) obtain substitutes, or require the Supplier to reimburse the Buyer for all additional costs associated with the substitutes; or (b) require the Supplier at the Buyer's option, to either replace the affected Goods or re-perform the affected Services without charge, or to reimburse the Buyer the Goods or the Services price paid. The Buyer may, but is not obligated to inspect or test the Goods and Services at the Buyer's premises, Supplier's premises or those of any Supplier subcontractor under an Order. The Buyer's acceptance of delivery, inspection, or payment for any Goods or Services does not waive any of the Supplier's warranties or other obligations. The Supplier will use its best efforts to assist the Buyer in investigation of and corrective action for the Buyer's customer complaints related to the Goods and/or Services.

#### **SPECIFICATIONS AND INSPECTION**

Items furnished under the Purchase Order shall be equal to the samples approved by the Buyer and shall conform strictly to drawings and specifications. Material and workmanship may be inspected and tested by the Buyer at all times and places, before, during, or after manufacture. Such inspection and testing shall not relieve the Supplier of its obligation to furnish all items in strict accordance with this Order. In case of rejection of any items by the Buyer for failure to comply with this Order, the Buyer, in addition to any other available rights at law may require credit, or replacement or correction thereof by the Supplier and at the Supplier's expense. By paying for items prior to receipt, the Buyer does not waive the right to inspect and reject any items in accordance with the foregoing.

#### **DELIVERY**

Time is of the essence. All deliveries under this Order shall be made strictly in accordance with the agreed upon requested delivery dates which appear in the order. The Supplier agrees to ship as per the shipping terms as stated on the applicable Order. The Order must be shipped complete by the date requested but must not be shipped more than 1 week in advance without the Buyer's prior written approval. The Supplier shall notify the Buyer immediately of any delay. The Supplier shall pay, or reimburse the Buyer, for all excess transportation charges arising from the Supplier's failure to meet the delivery dates as agreed to by both parties. The Buyer shall have the right to reject any and/or all shipments, which do not conform thereto, regardless of the Order. The Buyer shall have the right to cancel the Order by notice to the Supplier in the event of any delay by the Supplier for any reason, including force majeure.

Delivery of goods or services shall take place at the time and place as stipulated on the purchase order.

#### **BUYER SUPPLIED MATERIAL & EQUIPMENT**

The Buyer owns any materials the Buyer provides to the Supplier, including without limitation, all raw materials, components, databases or documents ("Buyer Materials") and any tooling or other equipment that the Buyer provides to the Supplier ("Buyer Equipment"). The Supplier will not sell, pledge, transfer or remove from the Supplier's facility any Buyer Materials or Buyer Equipment. Supplier will use all Buyer Materials and Buyer Equipment solely to perform its obligations under DFSPL'S orders and for no other purpose. The Supplier will not alter any Buyer Equipment. The Supplier will use its best efforts to maintain the security and confidentiality of all Buyer Materials and Buyer Equipment. The Supplier bears all risk of loss or damage to Buyer Materials and Buyer Equipment and will at the Buyer's request, immediately restore or replace any damaged or lost items with an equivalent item. Promptly upon the Buyer's request, the Supplier will return to the Buyer all Buyer's Equipment and unused Buyer Materials in their original condition, except for reasonable wear. The Supplier will maintain all Buyer Equipment in a safe and proper condition and indemnify the Buyer for and defend it against all claims arising out of the Supplier's use of Buyer Equipment. The Supplier will inspect Buyer Material that will be incorporated into Goods and promptly inform the Buyer of any non-compliance with the requirements. The Buyer has the right to recall any tools or equipment at its sole discretion.

#### **SUPPLIER WAIVER OF DAMAGES**

BUYER WILL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE TO THE SUPPLIER FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS) IN ANY WAY RELATED TO GOODS, SERVICES, AN ORDER, OR ITS TERMINATION.

## **COMPLIANCE WITH LAWS & PRODUCT CONTENTS**

Supplier agrees to comply with all applicable laws and regulations relating to the Goods and/or Services provided in any Order. The Supplier shall at its expense, obtain and comply with the requirements of all permits, licenses, approvals, consents and other regulatory clearances necessary to manufacture and sell the goods subject of this Order and to perform its obligations in accordance with the terms herein. The Supplier agrees to comply with laws applicable to its business and all applicable import and export control laws, and/or any other local laws, rules and regulations.

Supplier agrees to comply with all applicable laws and regulations, including but not limited to cross-border movement of goods, including compliance with import and export licensing, reporting, valuation, classification, origin determination and marking and similar requirements. To the extent that the terms of a particular sale, places compliance obligations with the Buyer, the Supplier agrees to promptly provide commercially reasonable assistance, documentation and information as necessary to support the Buyer's compliance.

The Supplier will disclose in writing to the buyer as to whether Goods contain any conflict minerals as defined under Section 1502 of the U. S. Dodd-Frank Act and its implementing regulations ("Conflict Minerals"). If Goods contain any Conflict Minerals, Supplier must: (a) assure that those Conflict Minerals are "DRC conflict-free" as defined in the Conflict Minerals Law; (b) provide upon request information on Conflict Mineral smelters in the relevant supply chains; (c) provide upon request such other information as Buyer may reasonably require to determine the DRC conflict-free status of Conflict Minerals used in Goods; (d) adopt policies and management systems consistent with Buyer's Conflict Minerals policy; and (e) require its suppliers to adopt similar policies and systems.

## **PATENTS**

Supplier warrants that the manufacture, sale or use of items furnished in an Order will not infringe any third party's patent, copyright or similar intellectual property rights. Supplier hereby agrees at its sole expense to defend, protect, indemnify, and hold the Buyer, its subsidiaries, affiliates, directors, officers, agents, shareholders, or customers, harmless against any and all loss, cost, expense, direct and indirect damage, claim, demand, or any liability, including reasonable attorneys' and professional fees and costs incurred by or demanded, arising out of, resulting from, or occurring in connection with the manufacture, sale or use of any goods or items sold by the Supplier under this Order, that relate to any alleged: (a) patent, copyright, or trademark infringement, or; (b) violation of any other published third-party intellectual property right, as well as from expenses incurred by the Buyer in defense of such suit, claim, or proceeding in the event that the Supplier does not undertake the defense thereof.

## **INTELLECTUAL PROPERTY**

Supplier shall not use or display any of the Buyer's patents, trademarks, service marks, trade names, copyrights or other tangible or intangible intellectual property right for which the Buyer has not granted any license to use, without first obtaining the Buyer's prior written consent. Supplier shall not release any publicity of any kind (including but not limited to, press releases, articles, brochures, advertising, promotional pieces, and speeches) related to this Order and/or the Goods or Services that the Supplier is performing under this Order without the Buyer's prior written authorization.

## **CONFIDENTIALITY**

"Buyer Confidential Information" means all information or tangible materials, whether or not designated by the Buyer as confidential, pertaining to: (a) product development, design, formulation, composition, research and development, or specifications; (b) product manufacturing techniques, rates or quantities; (c) equipment used to make Goods; (d) Buyer's customer information and any confidential information of the Buyer's customer; (e) any other aspects of the Buyer's business relating to Goods and Services, including without limitation marketing, sales, customers and non-public financial data; (f) Orders placed by the Buyer and (g) the Parties' relationship. Supplier will: (a) keep all Buyer Confidential Information confidential and use Buyer Confidential Information only as necessary to perform the Supplier's obligations under the Order and assure that its employees, agents and approved subcontractors abide by these confidentiality obligations. Supplier will return Buyer Confidential Information upon the Buyer's request. Buyer Confidential information does not include information that is available to the public in any publication. If required by judicial or administrative process to disclose Buyer Confidential Information, the Supplier agrees to promptly give the Buyer notice, allow the Buyer reasonable time to oppose such process and seek to have the third party treat the information confidentially to the extent legally permissible.

## **INDEMNIFICATION AND INSURANCE**

Supplier shall indemnify, defend and hold harmless the Buyer and its affiliates and subsidiaries, and their successors, officers, directors, employees, and agents from and against any claim, liability, loss, direct and/or indirect damages, lien, judgment, duty, fine, expense, civil penalty and cost, including, but not limited to, reasonable attorneys' fees and litigation expenses, arising out of or relating to: (a) Supplier's failure to comply with any of its obligations under an Order (including these Terms), which may include, without limitation, those relating to a resulting Goods recall or other reasonable action the Buyer may take regarding any such failure and (b) claims arising out of handling, packaging, labeling, storage, treatment, removal, transportation, and disposal of any waste material at any Supplier Site related to the Goods. The Supplier will at all times maintain liability and other insurance to protect the Buyer from all the foregoing risks and will on request supply certificates evidencing this coverage.

## **SURETIES**

The Buyer shall be exempt from supplying any form of surety or security to the Supplier.

## **GENERAL TERMS**

These terms and conditions constitutes the entire agreement between the seller and the Buyer regarding the subject matter hereof and supersedes any such prior agreement.

No agreement varying or cancelling this Agreement shall be effective unless reduced to writing and signed by the Parties.

This Agreement shall be deemed to have been made in the Republic of South Africa and the construction, validity and performance of this Agreement shall be governed in all respects by the laws of the Republic of South Africa.

In the event that any of the terms of this Agreement are found to be invalid, unlawful or unenforceable, such terms will be severable from the remaining terms, which will continue to be valid and enforceable.

Each person contracting in terms of this Agreement for and on behalf of a Party hereto warrants in his/her personal capacity that he/she is duly authorized by such Party to do so.