



SHELL & BP SOUTH AFRICAN PETROLEUM REFINERIES (PTY) LIMITED
(SAPREF)

GENERAL CONDITIONS FOR THE PROCUREMENT OF GOODS / SERVICES (under R100K)

Shell and BP South African Petroleum Refineries (Pty) Limited ("SAPREF") undertakes to purchase the Goods / procure the Services depicted on SAPREF's purchase order from the person, firm or company awarded the purchase order to supply the goods / perform the Services and shall hereinafter be referred to as "the Supplier". The Supplier undertakes to execute this purchase order on the basis that the general terms and conditions referred to herein shall apply to the exclusion of any other terms and conditions which the Supplier may seek to impose in any matter whatsoever.

1 DELIVERY OF THE GOODS / PERFORMANCE OF THE SERVICES

- 1.1 The Supplier must perform the Services / deliver the Goods to SAPREF at the specified location on or before the specified delivery date and in accordance with any special instructions for the performance of the Services / the delivery of the Goods contained in the purchase order.
- 1.2 Failure, by the Supplier, to perform by the due date may result in immediate cancellation of the purchase order or alternatively in the claiming by SAPREF of penalties at the rate of 1% of the purchase order value per week or part thereof that the delay persists.

2 RECEIPT OF THE GOODS / SERVICES

- 2.1 SAPREF may accept or reject the Goods / Services within 14 days after delivery.
- 2.2 If SAPREF rejects the Goods / Services, SAPREF may:
 - 2.2.1 require the Supplier to replace the Goods / re-perform the Services, at the Supplier's cost, which comply with the requirements of the purchase order / scope of work within a period determined by SAPREF; or
 - 2.2.2 cancel of the purchase order.
- 2.3 In either case and at the SAPREF's request, the Supplier must promptly remove any relevant Goods from SAPREF's premises / stop the Services and restore the premises at the Supplier's cost.

3 TITLE AND RISK

- 3.1 Title to the Goods / Services transfers to SAPREF upon the acceptance of the Goods/ Services by SAPREF.
- 3.2 The risk of any loss or damage to the Goods/ Services remains with the Supplier until acceptance by SAPREF.

4 CONDITIONS OF PAYMENT

- 4.1. The supplier must provide SAPREF with an original tax invoice for the goods delivered / Services performed which must include or be supported by the following details:

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- 4.1.1. SAPREF's purchase order number;
- 4.1.2. the goods / Services and/or material mescode;
- 4.1.3. the total price and the amount due in respect of VAT;
- 4.1.4. the supplier's VAT registration number;
- 4.2. Subject to compliance with all the provisions of this agreement, payment terms are **60 (sixty)** days from receipt of the supplier's original tax invoice with a settlement discount of 2.5% in favour of SAPREF.

5 CONTRACT PRICE

- 5.1. Subject to proper compliance by the supplier with the provisions of this agreement, the contract price payable for the goods is set out in the purchase order.
- 5.2. The contract price is fixed and will not be subject to escalation or adjustment for the full duration of this agreement and is inclusive of VAT and all taxes and includes the cost of any packaging, marking, handling, freight and delivery, insurance and any other applicable costs and charges.

6 WARRANTIES AND OBLIGATIONS

- 6.1. The supplier warrants that:
 - 6.1.1. the supplier has the capacity to timeously deliver the goods / perform the Services, time being of the essence;
 - 6.1.2. the Goods / Services will be free from defects in design and will have been manufactured / performed using first class new materials and will comply with the highest standards of workmanship;
 - 6.1.3. the Goods / Services will comply with specifications set forth in the purchase order and any deviation from such specifications is a material breach of the agreement;
 - 6.1.4. the Goods / Services do not infringe any intellectual property rights of any third parties;
 - 6.1.5. where any Goods / Services which the Supplier supplies / performs are dangerous or hazardous in any manner, the Supplier will immediately inform SAPREF and provide SAPREF with Safety Data Sheets for such Goods / Services before bringing it onto any of SAPREF's premises.
- 6.2. SAPREF's rights in terms of this clause 6 are in addition and without prejudice to any other rights it may have in terms of this agreement or by virtue of any common law warranty against latent defects or otherwise.
- 6.3. Notwithstanding acceptance of the Goods / Services by SAPREF, the Supplier must remedy, at its cost, any defects in the Goods / Services at any time within the period of 90 days or the Supplier's or manufacturer's standard warranty period (whichever is the longer) following acceptance of the Goods / Services by SAPREF.
- 6.4. The Supplier will be responsible for any costs of removing the Goods and delivering repaired or replacement Goods to SAPREF together with any associated or incidental costs. If the Supplier does not remedy the defect, SAPREF may remedy the defect and the costs incurred by SAPREF in remedying the defect will be a debt due from the Supplier to SAPREF.

7 CANCELLATION

- 7.1. SAPREF reserves the right on written notice to the Supplier to cancel any purchase order made by it. If the subject matter of the purchase order has already been delivered to Supplier in whole or in part, the cost of delivery of the Goods back to the Supplier / performance of the Services shall be for the account of

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SAPREF. The Supplier shall refund all amounts paid to it by SAPREF (if any) for the Goods / the Services. ~~Cancellation charges will be subject to further negotiation between the Supplier and SAPREF.~~

8 INDEMNITY

- 8.1 The Supplier indemnifies the SAPREF against any liability, loss, damage, cost, compensation or expense arising out of or in any way in connection with:
- 8.1.1 a default or any unlawful, wilful or negligent act or omission on the part of the Supplier, its officers, employees, agents or subcontractors; or
 - 8.1.2 any action, claim, dispute, suit or proceeding brought by any third party in respect of any infringement or alleged infringement of that third party's intellectual property rights in connection with the Goods / the Services.
- 8.2 The Supplier's liability to indemnify SAPREF under this clause 9 is reduced to the extent that any wilful, unlawful, or negligent act or omission of SAPREF contributed to the liability, loss, damage, cost, compensation or expense.

9 OCCUPATIONAL HEALTH AND SAFETY

- 9.1 The Supplier must procure that the Supplier's personnel who will gain access to SAPREF's premises undergo Induction Training and a compulsory medical examination. The cost of same will be for the Supplier's account.
- 9.2 The Supplier must ensure that the Supplier's personnel at all times whilst on SAPREF's site comply with SAPREF's safety and security rules and other relevant regulations. Where specified by SAPREF (by notice, sign, regulation, instruction, etc), the Supplier's personnel must wear the required safety clothing and equipment ("PPE"). It is the responsibility of the Supplier to ensure that its personnel are in possession of such required PPE.
- 9.3 Where the delivery of the Goods / the performance of the services are to be executed at SAPREF's premises, the Supplier must, on or before the commencement date:
- 9.3.1 appoint a safety co-ordinator to liaise with SAPREF on matters pertaining to safety;
 - 9.3.2 provide SAPREF's safety department with copies of all appointments required by the OHS Act and OHS regulations;
 - 9.3.3 provide SAPREF with a hardcopy of the Supplier's HSSE plan in respect of the services to be performed together with all supporting documents.
- 9.4 The Supplier must, within 24 hours, report all accidents and incidents of injuries to any person while on SAPREF's premises.
- 9.5 The provisions of this clause 10 summarises the obligations relating to health and safety that the Supplier is expected to assume, as a mandatory of SAPREF and are intended to satisfy the requirements of Section 37(2) of the OHS act in that:
- 9.5.1 the Supplier hereby agrees, as mandatory, to assume full responsibility for the performance of, observance of and compliance with the duties and responsibilities imposed upon SAPREF as an employer in terms of the Act in respect of:
 - 9.5.1.1 the scope of services to be undertaken by the Supplier;
 - 9.5.1.2 the area within SAPREF's premises where the Supplier is to perform the services;
 - 9.5.1.3 the employees and/or other persons engaged in the execution of the services.

10 NOTICES

- 10.1 Any notice or communication under this agreement will be effective if it is in writing, signed and delivered to SAPREF or the Supplier, at the address or facsimile number set out in the purchase order.

11 CESSION, ASSIGNMENT AND SUB-CONTRACT

11.1 The Supplier shall not cede or sub-contract any of its rights, nor transfer or assign any of its obligations in terms of the purchase order without the written consent of SAPREF.

12 GOVERNING LAW AND JURISDICTION

12.1 This agreement will be construed and interpreted in accordance with the laws of the Republic of South Africa and the parties consent to the jurisdiction of the High Court of South Africa.

13 DISPUTE RESOLUTION

13.1 If any dispute arises out of or in connection with this agreement, its termination or cancellation or the subject matter thereof either party may declare that a dispute exists by giving written notice to the other party's representatives.

13.2 Within 10 days of receipt of a notice declaring a dispute, the parties' representatives or its nominated representatives must try to meet and resolve the dispute or agree a process for resolving the dispute (including arbitration or mediation).

13.3 If, within 10 days of the dispute being declared, the parties' representatives or its nominated representatives do not meet or do not resolve the dispute or do not agree on a process for resolving the dispute, any party may take whatever action it believes is appropriate.

13.4 This clause 13 will not in any way preclude a party from seeking urgent interim relief from any court having jurisdiction in terms of clause 12 to protect or enforce its rights.

14 COMPLIANCE

14.1 LAWS AND POLICIES

14.1.1 The supplier warrants that it is familiar with, and will comply to, all applicable laws, including but not limited to those dealing with the conditions of its labour, the safety relating to the supply of the services and the health and safety of all persons on SAPREF's premises and hereby indemnifies SAPREF against any breach thereof.

14.2 ETHICS COMPLIANCE

14.2.1 The supplier confirms having received a copy of the SAPREF's General Business Principles and SAPREF's Code of Conduct.

14.2.2 Each Party represents and warrants, in connection with this **agreement** and the business resulting therefrom, that:

14.2.2.1 it is knowledgeable about and will comply with all laws, regulations, rules and requirements relating to anti-bribery and anti-money laundering;

14.2.2.2 whether directly or indirectly, it has not made, offered, authorized, or accepted and will not make, offer, authorize, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage would comprise a facilitation payment or otherwise violate the **Anti-Corruption Laws;**

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14.2.2.3 In the event that the Service Provider supplies staff that work on behalf of the Service Provider, the Service Provider also commits that such staff will behave in a manner that is consistent with SAPREF's Code of Conduct and the contents of this clause 22.

14.3 PROTECTION OF PERSONAL INFORMATION

14.3.1 For the purposes hereof, "Personal Information" means personal information as defined in the "POPI" Act which means the Protection of Personal Information Act 4 of 2013, as amended from time to time;

14.3.2 Both parties agree that they will comply with requirements of POPI, which they warrant they are fully conversant with, and process all the information and/or personal data in respect of this agreement in accordance with POPI and only for the purpose of providing the services set out in the agreement.

15. SAPREF AUDIT RIGHTS

15.1 SAPREF will have the right to audit invoiced charges and proper invoicing by the contractor, other books and records relating to the agreement and the performance of any other of the contractor obligations under the agreement, where capable of being verified by audit.

15.2 Based on the findings of the audit, the parties will settle any amounts charged incorrectly within 30 (thirty) days of any audit finding and the contractor will provide or re-perform any agreement scope where the requirement to do so is identified by any audit within 30 (thirty) days of any audit finding.

15.3 The contractor will keep books and records available for audit for the longer of the following periods: (i) five (5) years following termination of the agreement or any longer period as required by applicable laws; or (ii) two (2) years after the period expires on any obligation of the contractor to perform or re-perform any agreement scope.

SIGNED atthis.....day of.....20

As witnesses

1.....

2.....

For SERVICE PROVIDER

who hereby warrants that (s)he is duly authorised to sign this agreement on its behalf

Full names

Designation.....