

PEPSICO INC. GLOBAL SUPPLIER CODE OF CONDUCT



PepsiCo, Inc. Global Supplier Code of Conduct

Purpose and Scope

At PepsiCo, we believe acting ethically and responsibly is not only the right thing to do, but also the right thing to do for our business. Our Global Supplier Code of Conduct ("Supplier Code") sets out our expectations for suppliers in the areas of business integrity and anticorruption, labor practices, health and safety, and environmental management.

All suppliers, vendors, contractors, consultants, agents and other providers of goods and services who do business with or on behalf of PepsiCo ("suppliers") are expected to follow the Supplier Code and all other relevant policies¹ as a condition of doing business with PepsiCo and its affiliates. Suppliers are also expected to communicate and apply the Supplier Code and relevant policies throughout their supply chain.

Business Conduct Principles

PepsiCo expects its suppliers to conduct business responsibly, with integrity, honesty, and transparency, and to adhere to the following principles:

- 1. Maintain awareness and comply with all applicable laws and regulations of the countries of their operation.**
- 2. Maintain the confidentiality of all PepsiCo's and its partners' information.**

Suppliers must take all reasonable and necessary precautions to safeguard PepsiCo's and its partners' information to which it has access, including not disclosing to anyone, inside or outside of PepsiCo, unless disclosure is properly authorized, in connection with a clearly defined legitimate business need (i.e., shared only on a need-to-know basis), and subject to a written confidentiality agreement.
- 3. Compete fairly for PepsiCo's business and conduct all such business on behalf of PepsiCo in a lawful manner.**

PepsiCo is committed to conducting business legally and ethically within the framework of a free enterprise system and strictly prohibits corrupt arrangements with customers, suppliers, government officials, or other third parties. As such, PepsiCo prohibits its suppliers from engaging in any form of public sector or commercial bribery. Under no circumstances may a supplier acting on behalf of PepsiCo promise or provide anything of value directly or indirectly to a government official, or to any person or entity in the private or commercial sector, if the payment is intended to induce the recipient to misuse his or her position to obtain or retain an unfair business advantage or personal benefit. Consistent with these principles, suppliers acting on behalf of PepsiCo must comply with the U.S. Foreign Corrupt Practices Act, any applicable local anticorruption laws, and are expected to comply with PepsiCo's Global Anti-Bribery Compliance Policy ("ABAC Policy").
- 4. Encourage a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse.**

PepsiCo suppliers shall create a work environment in which employees and business partners feel valued and respected for their contributions. Harassment, including unwelcome verbal, visual, physical, or other conduct of any kind that creates an intimidating, offensive or hostile work environment will not be tolerated. Employment decisions must be based on qualifications, skills, performance, and experience.

¹ Applicable policies/commitments include PepsiCo's: (i) Environmental Health and Safety Policy, (ii) Sustainable Agriculture Policy, (iii) Land Use Policy, (iv) Forestry Stewardship Policy, (v) Sustainable Packaging Policy, (vi) Cage-Free Egg Policy, (vii) Human Rights Workplace Policy, (viii) Palm Oil Commitments, (ix) Cane Sugar Commitment, and (x) Global Anti-Bribery Compliance (ABAC) Policy. Copies of each document can be found on www.pepsico.com.



- 5. Treat employees fairly, including with respect to wages, working hours and benefits.**
PepsiCo suppliers shall comply with all applicable wage, working hours, and benefits laws and regulatory requirements. Suppliers should also strive to meet international standards for working hours and rest periods, including: (i) work weeks of no more than 48 regularly scheduled work hours and 12 voluntary overtime hours, (ii) overtime hours compensated at a premium rate, (iii) workers provided one day of rest every 7 days, except in emergencies or unusual situations, and (iv) no working more than 21 consecutive days without a rest day. Where a supplier's practices do not meet such international standards, the supplier should identify the root causes and work to improve its practices.
- 6. Prohibit all forms of forced or compulsory labor.**
PepsiCo suppliers shall maintain and promote fundamental human rights including freedom of movement of workers. Employment decisions must be based on free choice and there can be no coerced or prison labor, and no use of physical punishment or threats of violence or other forms of physical, sexual, psychological or verbal abuse as a method of discipline or control. Employment contracts must clearly state the terms of employment and must not restrict worker movement through the retention of identity papers, holding of deposits, or other actions aimed to prevent worker termination of their employment. In addition, workers must not be required to pay recruitment or other similar fees to obtain or retain their employment and suppliers shall ensure that any third-party recruitment agencies comply with these principles.
- 7. Prohibit use of child labor.**
Suppliers shall adhere to the minimum employment age limit defined by national law or regulation and comply with relevant International Labor Organization (ILO) standards. In addition, PepsiCo prohibits the hiring of individuals under the age of (15), the local legal minimum working age, or the compulsory schooling age, whichever is higher. In no instance shall a supplier permit children to perform work that exposes them to undue physical risks that can harm their physical, mental, or emotional development or improperly interfere with their education or vocational needs.
- 8. Respect employees' rights to freedom of association and collective bargaining.**
Consistent with applicable law, PepsiCo suppliers shall respect employees' rights to join associations and worker organizations.
- 9. Provide safe and healthy working conditions.**
PepsiCo suppliers shall proactively manage health and safety risks to provide an incident-free environment where occupational injuries and illnesses are prevented. Suppliers must implement management systems and controls that identify hazards and assess and control risk related to their specific industry. In addition, suppliers shall provide access to safe drinking water, sanitation and hygiene, including adequate restrooms and handwashing facilities; fire exits and essential fire safety equipment; emergency aid kits; and access to emergency response services including environmental, fire and medical.
- 10. Carry out operations with care for the environment and comply with all applicable environmental laws and regulations.**
The potential environmental impacts of daily business decision-making processes should be considered along with opportunities for conservation of natural resources, source reduction, material recycling, and pollution control to ensure cleaner air and water and reduction of landfill wastes. PepsiCo encourages its suppliers to identify, set targets and implement action plans for reducing environmental impacts in the areas of water, wastewater, energy, greenhouse gas emissions, waste and packaging.



11. **Maintain accurate financial books and business records in accordance with all applicable legal and regulatory requirements and accepted accounting practices, including with respect to all invoices submitted to PepsiCo for payment or reimbursement.**
12. **Deliver products and services meeting applicable quality and food safety standards.**

PepsiCo is committed to producing high quality and safe products across all of our brands. Suppliers involved in any aspect of developing, handling, manufacturing, packaging, transporting, or storing our products are expected to:

 - Know and comply with the product quality standards, policies, specifications, and procedures that apply to the products produced at your location
 - Follow and adhere to good manufacturing practices and testing protocols
 - Comply with all applicable federal, state, and local food safety laws and regulations
 - Report issues immediately to PepsiCo that could negatively affect the quality or public perception of a PepsiCo product
13. **Support compliance with the Supplier Code by establishing appropriate management processes and cooperating with reasonable assessment processes requested by PepsiCo.**

To conduct business with PepsiCo, suppliers must enter into contracts and execute purchase orders that mandate compliance with the Supplier Code. With prior notice, PepsiCo may conduct reasonable audits to verify Supplier's compliance with the Supplier Code. In addition, as further outlined in the ABAC Policy, certain suppliers are required to complete our Third Party Due Diligence process from time to time.
14. **Observe PepsiCo's policies regarding gifts and entertainment and conflicts of interest when dealing with PepsiCo employees.**

PepsiCo suppliers, or anyone acting on PepsiCo's behalf, are prohibited from providing or offering gifts to PepsiCo employees that could inappropriately influence PepsiCo's business decisions or gain an unfair advantage.
15. **Ensure that all land acquisitions (including leasing and utilization) meet International Finance Corporation (IFC) Performance Standards, including Free, Prior and Informed Consent.**
16. **Report suspected violations of the Code.**

PepsiCo expects that suppliers have an effective Grievance Management system in place for grievances raised by workers within their operations or by third parties, which elevate potential violations to management in line with the UN Guiding Principles. Supplier's employees or contractors may also report suspected violations of this Code to the PepsiCo "Speak Up" hotline at 1-866-729-4888 in the United States or to dedicated phone lines in other countries throughout the world. A list of international hotline telephone numbers is attached to this Supplier Code and may be updated from time to time as reflected at <http://www.pepsico.com/Company/Speak-Up.html>.

The "Speak Up" hotline is available worldwide on a 24/7 basis. Communications may also be made electronically at "Speak Up" web-line address <http://www.pepsico.com/Company/Speak-Up.html>. All such reports are treated as confidential, whether provided through our Speak Up telephone or web-line, and you may remain anonymous where permitted by law.

PIONEER FOOD GROUP (PROPRIETARY) LIMITED GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS AND/OR SERVICES

NOTE: No changes will be accepted to the PepsiCo Supplier Code of Conduct or the Pioneer Terms and Conditions for the Purchase of Goods and/or Services.

1. DEFINITIONS

In these Terms and Conditions, the following definitions apply:

“Buyer” means the company placing a Purchase Order (Pioneer Food Group Proprietary Limited, including Pioneer Foods (Proprietary) Limited, Pioneer Foods Groceries (Proprietary) Limited, Ceres Fruit Juices (Proprietary) Limited and Pioneer Foods Wellingtons (Proprietary) Limited, ultimately a wholly owned subsidiary of PepsiCo Inc).

“Goods” means the materials, articles, products, ingredients, equipment, packaging, machinery or mechanical spares, tools, (or any of them or anything of this nature) which are the subject of a Purchase Order to be supplied by the Supplier in terms of these Terms and Conditions.

“Purchase Order” means a duly issued, written and pre-numbered SAP purchase Order form dispatched by the Buyer to the Supplier setting out the details of the Goods and/or Services to be supplied and any other relevant information.

“Services” means the services which are the subject of a Purchase Order.

“Supplier” means the person, firm or company to whom a Purchase Order is addressed.

“Terms and Conditions” means, collectively, these terms and conditions of purchase and the Purchase Order.

2. ACCEPTANCE OF TERMS

These Terms and Conditions shall be incorporated into a Purchase Order and shall govern and control the commercial relationship between Buyer and Supplier, unless Buyer and Supplier purposely negotiated and finalised a valid and effective written agreement to govern the procurement of the Goods and/or Services detailed under a Purchase Order in which instance the purposely drafted written agreement shall govern and control the Purchase Order and these Terms and Conditions shall have no effect. The Supplier's commencement of work on the Goods and/or Services under the terms of a Purchase Order, or shipment of the Goods or rendering of the Services whichever occurs first, shall be deemed to be the Supplier's acceptance of the Purchase Order. THE SUPPLIER'S ACCEPTANCE IS LIMITED TO ACCEPTANCE OF THESE GENERAL TERMS AND CONDITIONS OF PURCHASE AND DOES NOT INCLUDE ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY THE SUPPLIER TO VARY THESE GENERAL TERMS AND CONDITIONS OF PURCHASE.

3. COMPLETION

Time is of the essence for a Purchase Order and/or in relation to any performance dates communicated by Buyer to Supplier and Supplier shall meet such performance dates. If the Goods and/or Services are not delivered on the date(s) specified in the Purchase Order, the Buyer may, without liability and without prejudice to any other rights or remedies it may have:

- (a) terminate the Purchase Order by notice to the Supplier effective upon receipt in respect of Goods not yet shipped and/or Services not yet rendered;
- (b) buy substitute Goods elsewhere and recover from the Supplier any additional expenditure reasonably incurred;
- (c) refuse to accept any subsequent delivery of the Goods and/or performance of the Services which Supplier attempts to make; and
- (d) procure substitute Goods and/or Services elsewhere and recover from the Supplier any additional expenditure reasonably incurred.

4. QUALITY/PERFORMANCE

The Supplier warrants that the Goods and/or Services shall:

- (a) be of the best quality, material and workmanship;
- (b) conform in all respects to the terms of the Purchase Order and any performance criteria, specifications, samples, patterns or artwork requested by the Buyer;
- (c) be merchantable and safe and appropriate for the purpose for which Goods and/or Services of this kind are normally used;
- (d) if applicable with respect to ingredients, when processed in accordance with Buyer's standard manufacturing processes, produce high quality finished product(s) that conform with Buyer's standards, specifications and sensory attributes
- (e) be properly contained, manufactured, supplied, packaged, marked and labelled;
- (f) be fit for the particular purpose for which the Buyer intends to use the Goods and/or Services, which purpose Supplier acknowledges has been disclosed to Supplier;
- (g) be free from any third-party lien, claim, title or interest;
- (h) not infringe the intellectual property rights of any third parties; and
- (i) comply with all relevant requirements of South African legislation as well as industry standards, special dietary certification (where applicable), including, without limitation, all laws relating to foodstuffs, food safety, consumer protection, occupation health and safety, and environmental laws and legislation of any country which is connected with the Purchase Order.

Ownership of, and all right and title in and to, any materials, equipment, components, ingredients, documentation, recipes, specifications, samples or any other items or assets provided to the Supplier by the Buyer in Purchase Order to facilitate the manufacture and/or supply of the Goods and/or Services and/or for any other purposes at all, shall remain vested in the Buyer and the Supplier hereby waives irrevocably any and all liens and/or rights of retention it may have, or acquire, in respect thereof.

5. VENDOR ASSURANCE, FOOD SAFETY, ENVIRONMENTAL AND OTHER POLICIES

The Supplier will (where deemed appropriate by the Buyer):

- (a) maintain a commitment to best practise food safety and PepsiCo Vendor Assurance procedures at Supplier's cost;
- (b) comply with the requirements of the PepsiCo Supplier Approval and Compliance Programmes;
- (c) ensure all materials comply with all South African legal requirements including, without limitation, requirements relating to traceability;
- (d) ensure compliance with any agreed specifications;
- (e) ensure that all Goods will comply with the PepsiCo Raw Material Quality Food Safety Policy (available on request) including, without limitation PepsiCo requirements relating to traceability;
- (f) commit to engage with Buyer to develop sustainability programmes and participate with such sustainability initiatives as may be communicated to it from time to time by the Buyer;
- (g) fully disclose to Buyer the presence of any recognised allergenic ingredients in connection with the Goods and, if applicable, adequately label such on the Goods and/or packaging. If Supplier becomes aware that any of the Goods are or may become infested, adulterated, contaminated or in violation of applicable laws or regulation or are or may become harmful to persons or property whether the Goods are used in the manufacture of, or become part of Buyer's products, or that the design or construction of the Goods is or may be defective in any manner, Supplier shall immediately give notice to Buyer thereof and provide all relevant information in a timeous manner. The Buyer shall at any time be entitled on written notice to the Supplier to require the Supplier to halt the supply of the Goods in the event that the Buyer

is obliged to or elects to recall any of its goods or materials which are used or incorporated in the Goods.

The Buyer may inspect and audit the facilities and premises used by the Supplier for any purposes associated with the manufacture, distribution and/or supply of the Goods and/or Services at any time during normal business hours on reasonable notice to the Supplier.

6. SUPPLIER CODE OF CONDUCT AND ANTI-BRIBERY

These Terms and Conditions and all Purchase Orders shall be subject to and Supplier shall adhere to:

(a) PepsiCo, Inc.'s Supplier Code of Conduct (the 'Code of Conduct'), which is available at the following website: www.pepsico.com/SupplierCodeofConduct, which may be amended from time to time by PepsiCo Inc.;

(b) PepsiCo, Inc.'s International Anti-Bribery Compliance Policy (the 'Anti-Bribery Policy'), which is available at the following website: <http://www.pepsico.com/About/Global-Code-Of-Conduct> and which may be amended from time to time by PepsiCo Inc.; and

(c) All applicable laws, rules and regulations relating to or affecting a Purchase Order including the U.S. Foreign Corrupt Practices Act available at: <http://www.justice.gov/criminal/fraud/fcpa/docs/fcpa-english.pdf> and any other applicable anti-bribery laws.

Supplier further agrees not to corruptly make any offer, payment, promise of gifts or money or any other thing of value to any government official or employee, political party or political candidate ('**Government Official**') for the purpose of influencing any act or decision of such Government Official, inducing such Government Official to act in violation of his lawful duty or securing any improper advantage.

7. BUYER'S RIGHTS, EXPORT CONTROL

The Buyer's signature of receipt, inspection, testing, payment for or use of the Goods furnished under a Purchase Order shall not constitute acceptance thereof or affect the Supplier's obligations and warranties contained in these Terms and Conditions which shall survive the Buyer's inspection, testing, acceptance and/or use.

The Buyer may inspect the Goods and may accept or reject within a reasonable time from discovery and in all circumstances before the natural expiration of the shelf life, if applicable, any and all of the Goods which are, in the Buyer's judgement, defective or which do not conform in whole or part to these Terms and Conditions ("**Rejected Goods**") and upon such direction Supplier shall, at Supplier's sole cost and expense:

- (a) Refund to Buyer or credit Buyer's account an amount equal to the price of the Goods as well as any costs incurred by Buyer in relation thereto; or
- (b) Replace or correct any Rejected Goods at no additional cost to Buyer within seven (7) business days of Buyer's demand; or
- (c) Buyer may also choose to replace any Rejected Goods from any other source and recover from Supplier any costs incurred by Buyer in connection therewith including but not limited to costs relating to packaging, inspection, insurance, additional costs in sourcing of replacement Goods, delivery (both in terms of cost originally incurred by Buyer or to be incurred to return the Rejected Goods) and uninstall of equipment.

Supplier warrants and certifies that, unless identified otherwise, all parts, components or software of the Goods to be supplied pursuant to a Purchase Order, are not subject to the U.S. Export Administration Regulations (EAR). Supplier shall identify through written certification to the Buyer all Goods provided to the Buyer pursuant to a Purchase Order and these Terms and Conditions that contain parts, components or software that currently are or were subject to U.S. export controls under the EAR. Furthermore; Supplier will comply with all applicable

export laws and regulations related to or incidental to the supply of the Goods under a Purchase Order and these Terms and Conditions. If Supplier is not the original manufacturer of the Goods, including all parts, components or software, it herewith confirms that it obtained independent verification in extending this warrantee and/or certification to the Buyer.

The Buyer's payment for the Services furnished under an Order shall not affect the Supplier's obligations under the warranties contained in these Terms and Conditions which shall survive the Buyer's payment.

The Buyer may monitor record and assess the performance of the Services and may accept or reject at any time any and all the Services, which are, in the Buyer's judgement, unsatisfactory or which do not conform to any warranty.

Without prejudice to any of its other rights or remedies (including but not limited to the right of termination of the Purchase Order and/or the withholding from payment to the Supplier any sums that are allocable to the non-conforming and/or non-continuing Services) the Buyer may require the Supplier to promptly re-perform or remedy any unsatisfactory or non-conforming Services or remove the cause of non-performance of any Services, at the Supplier's sole cost and expense, provided the Buyer notifies the Supplier within a reasonable time of discovering that the Services are unsatisfactory or non-conforming.

The Buyer shall also be entitled to terminate the Purchase Order and obtain such other remedies as may be available to it either under these Terms and Conditions or otherwise at equity or law, including but not limited to the withholding of payment to Supplier and/or recovering as a sum of money due from Supplier all or any portion of the charges paid in relation to the non-conforming or non-continuing Services.

8. PRICE WARRANTY/FREIGHT CHARGES/ SET OFF

The Supplier warrants that the prices for the Goods and/or Services are complete and no less favourable than those currently extended to the Supplier's other customers of similar account size for similar quantities of the same or similar Goods and/or Services (on a like, for like basis). Without the Buyer's prior written consent the Supplier shall not add any charges, including without limitation, charges for shipping, packaging, labelling, storage, insurance, boxing or crating, customs duties or taxes, labour costs, material, transport and Rate Of Exchange ("ROE"). If the Supplier offers better prices for the Goods and/or Services to other customers of similar account size for similar quantities of the same or similar Goods and/or Services (on a like-for-like basis) during the term of this Purchase Order the Supplier will reduce the Buyer's prices correspondingly. If the Supplier uses published freight charges, the Supplier shall credit to the Buyer any decrease in the charges. If the Buyer has a claim against the Supplier resulting from the Purchase Order or any transaction the Buyer may deduct or set off disputed amounts from the Supplier's claims for amounts due under this Purchase Order.

The purchase price payable for the Goods and/or Services is the price quoted by the Supplier and accepted in writing by the Buyer on a Purchase Order. The price(s) specified is (are) firm, all-inclusive and not subject to change for any reason whatsoever. Where applicable, the Supplier shall clearly state on its quotation for the Purchase Order, the current ROE on which its quotation is based.

9. CHANGES

The Buyer may, at any time prior to delivery of the Goods, change the drawings, designs, specifications, materials, packaging, time and place of delivery, and method of transportation under a Purchase Order. Supplier agrees to accept any changes, provided that if a change increases or decreases the cost or time required for performance, the parties will equitably adjust and modify the terms of the Purchase Order in writing. In addition, Supplier shall inform Buyer in advance of any material change, intentional or otherwise, to the Goods as a direct result of Buyer's request for change, including, without limitation, changes in composition,

quality specifications, manufacturing processes, labelling, functionality, safety, manufacturing locations, and any suppliers or subcontractors utilised and if not reasonably acceptable to Buyer and upon notice to Supplier, Buyer may elect to cancel the Purchase Order.

The Buyer may, at any time, request a change to the scope or execution of the Services under a Purchaser Order. If the Buyer requests a change to the scope or execution of the Services:

- (a) the Supplier shall, within a reasonable time, provide a written estimate to the Buyer of:
 - (i) the likely time required to implement the change;
 - (ii) any necessary variations to the Supplier's charges arising from the change; and
 - (iii) any other impact of the change on the terms of the Order.
- (b) if the Buyer does not wish to proceed, there shall be no change to the Purchaser Order;
- (c) if the Buyer wishes the Supplier to proceed with the change, the Supplier shall do so after agreement on the necessary variations to its charges, the Services and any other relevant terms of the Purchase Order to take account of the change and the Purchase Order shall be amended accordingly.

10. PAYMENT AND TAX

No payment shall be made by the Buyer to the Supplier unless all invoices and credit notes relating to a specific Purchase Order have been received by the Buyer.

The Supplier shall deliver to the Buyer a monthly statement which reflects and sets out a summary of the invoices delivered by the Supplier to the Buyer during the month to which the statement relates. The Supplier shall be entitled to reflect in such statement any invoices in respect of which the Buyer has not made payment, whether such invoice relates to the month of the statement or not. The Purchase Order number must be clearly stated on all correspondence, invoices, monthly statements and delivery notes. An invoice will only be paid if it meets all the requirements of a valid South African VAT invoice. Under no circumstances shall Supplier invoice Buyer for Goods yet to be delivered and/or Services yet to be rendered. Payment shall only be made to the Supplier.

Subject to the provisions above, the **Buyer shall make payment to the Supplier no later than forty five (45) days from date of month-end statement.**

If the payment due date (i.e., the 45th day) falls on a Saturday, Sunday or public holiday, the payment due date shall be the next business day following such Saturday, Sunday or holiday in the country in which payment is to be processed, being South Africa. Should the date of payment fall during the period 15th December to 31st December (both days inclusive), the first payment due date of the following calendar year, being the 2nd of January, shall be considered as the due date of payment. Payment shall be deemed made by electronic funds transfer ("EFT"), upon confirmation by Buyer's accounts payable team that such EFT has been sent to Supplier.

In the event any Tax becomes due by reason of these Terms and Conditions and the Purchase Order, such Tax shall be borne by the party upon whom such Tax is imposed by applicable law. "Tax" means: all foreign, federal, state, provincial, local and other taxes, fees, levies, duties and other assessments or charges of whatever kind (including without limitations, income, excise, stamp, transfer, property, value added, real estate, sales, payroll, gains, gross receipts, withholding and franchise taxes) together with any interest, penalties, or additions payable in connection with such taxes, fees, levies, duties or other assessments or charges.

11. FORCE MAJEURE

Either Party shall be entitled to suspend performance of its obligations in terms of this these Terms and Conditions and/or a Purchase Order to the extent that such performance is impeded or made unreasonably onerous by Force Majeure, meaning, but not limited to, any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war, extensive military mobilisation, insurrection, requisition,

seizure, embargo, restrictions in the use of power, currency and export restrictions, epidemics, natural disasters, extreme natural events and terrorists acts caused by any such circumstance referred to in this clause.

The Party claiming to be affected by Force Majeure shall notify the other Party in writing within five (5) business Days of the intervention and cessation of such circumstance. If a Party fails to give such notice, the other Party shall be entitled to compensation for any additional and/or costs which it incurs and which it could have avoided had it timeously received such notice.

Notwithstanding what is contained herein, either Party shall be entitled to terminate these Terms and Conditions and the related Purchase Order by notice in writing to the other Party if performance of the obligations under these Terms and Conditions and/or a Purchase Order is suspended due to Force Majeure for more than 30 (thirty) days.

12. ARBITRATION

Any dispute arising out of or in connection with a Purchase Order or any of these Terms and Conditions, including any question regarding the existence, validity or termination of a Purchase Order or any of these Terms and Conditions, shall be referred to and finally resolved by arbitration. The arbitration shall be governed by the Arbitration Act, 1965 of the Republic of South Africa, or any replacement Act and shall take place in accordance with the Commercial Arbitration Rules of the Arbitration Foundation of Southern Africa ("AFSA"), which Rules are deemed to be incorporated by reference into this clause.

The number of arbitrators shall be one. The Parties shall agree on the arbitrator who shall be an attorney or advocate on the panel of arbitrators of AFSA. If agreement is not reached within 10 (ten) business Days after any Party calls in writing for such agreement, the arbitrator shall be a Senior Counsel of no less than 10 (ten) years standing, as nominated by the Secretariat of AFSA for the time being.

The seat or legal place of arbitration shall be Sandton or Cape Town, Republic of South Africa. The language to be used in the arbitral proceedings shall be English.

13. NON-PERFORMANCE AND BREACH

If the Supplier fails to perform any of its obligations under these Terms and Conditions, the Buyer may perform that obligation (but is not obliged to do so) and recover the cost of doing so from the Supplier, who shall pay that amount to the Buyer on demand.

If the Supplier breaches these Terms and Conditions, the Buyer may, in its sole and reasonable discretion, select its preferred remedy, including a claim for damages in place of any penalty or liquidated damages which are provided for that breach in terms of these Terms and Conditions. On each occasion, the Buyer may choose its remedy without negatively affecting any of its rights it may have in terms of these Terms and Conditions or at law.

The Supplier is liable for all reasonable and necessary legal costs incurred by the Buyer arising from a material breach of these Terms and Conditions by the Supplier, on the attorney and own client scale and on a full indemnity basis, including any tracing fees and collection commission.

14. INDEPENDENT CONTRACTOR

The parties agree that the Supplier, its employees, agents and sub-contractors are performing services as independent contractors and not as the Buyer's employees, regardless of where they perform services.

15. INDEMNIFICATION

In addition to the Supplier's other obligations hereunder, the Supplier, its parents and affiliates shall defend, indemnify and hold the Buyer harmless against any and all demands, damages, claims, liabilities, losses, costs and expenses (including legal expenses) ("Claim") arising out

of or resulting from: (a) any known or unknown defect in the Goods and/or Services; (b) the negligence of, default of or breach of these Terms and Conditions (including breach of any warranty) by the Supplier, its agents, employees or sub-contractors; (c) any Claim arising from unsafe, defective, contaminated, hazardous or deficient Goods brought against the Buyer in terms of the Consumer Protection Act 68 of 2008 of the Republic of South Africa; (d) alleged patent, copyright, trademark, trade dress, trade secret or other intellectual property right infringement or alleged unfair competition resulting from similarity in design, trademark or appearance of the Goods and/or Services; (e) failure to comply with applicable laws and regulations. The Supplier shall maintain insurance coverage in compliance with applicable law and sufficient to satisfy its indemnification obligations hereunder including without limitation third party liability insurance cover, product liability insurance cover and professional liability insurance cover.

16. CONFLICT OF INTEREST

Supplier represents and warrants that it has no business, professional, personal, or other interest, including, but not limited to, the representation of other clients, that would conflict in any manner or degree with the performance of its obligations under a Purchase Order or these Terms and Conditions or is reasonably aware of any circumstances that will impair Supplier's impartiality to exercise independent judgement in the interest of Buyer in performing under a Purchase Order or these Terms and Conditions (each a "Conflict of Interest"). If any such actual or potential Conflict of Interest arises under a Purchase Order or these Terms and Conditions, Supplier shall immediately inform Buyer in writing of such Conflict of Interest. If, in the reasonable judgment of Buyer, such Conflict of Interest poses a material conflict with the performance of Supplier's obligations under a Purchase Order or these Terms and Conditions, then Buyer may terminate the Purchase Order and/or these Terms and Conditions immediately upon written notice to Supplier and such termination of the Purchase Order and/or these Terms and Conditions shall be effective upon receipt of the termination notice by Supplier.

17. CONFIDENTIALITY

The Supplier shall consider as "Confidential Information" all non-public information provided by the Buyer; all specifications or other documents prepared by the Buyer in connection with a Purchase Order; the fact that the Buyer has contracted to purchase Goods and/or Services from the Supplier, and all other non-public information relating to a Purchase Order. Without the Buyer's prior written consent, the Supplier shall not disclose or use any Confidential Information for any purpose other than performing a Purchase Order.

18. ASSIGNMENT/SUBCONTRACTING

The Supplier may not cede, delegate and/or assign nor subcontract any part of a Purchase Order without the Buyer's prior written consent. If the Supplier subcontracts any part of a Purchase Order, the Supplier shall bind each of its sub-contractors by terms no less stringent than these Terms and Conditions; provided however that nothing contained in any such sub-contracting arrangement shall create, nor be represented to create, a contractual relationship between any such sub-contractor and the Buyer, nor shall the Supplier be relieved of its obligations under these Terms and Conditions or the Purchase Order, notwithstanding the fact that the Buyer consented to Supplier's appointment of the sub-contractor.

19. TERMINATION FOR CONVENIENCE

Upon notice to the Supplier, the Buyer may terminate a Purchase Order or any part thereof solely for its convenience. Upon its receipt of the Buyer's notice of termination, the Supplier will immediately stop and cause all its suppliers and sub-contractors to stop all work under the

Purchase Order or the part which has been terminated. The Buyer will pay the Supplier's actual direct costs resulting from the termination but the Buyer will not pay the Supplier for any work performed after receipt by the Supplier of the notice of termination, nor for any costs that the Supplier could reasonably have avoided.

20. TERMINATION FOR CAUSE

Without prejudice to any of its other rights or remedies and without incurring any liability, the Buyer may terminate a Purchase Order or any part thereof in the event that the Supplier commits a material breach of its obligations under these Terms and Conditions and/or the Purchase Order. Upon receipt of a notice of termination from the Buyer, the Supplier shall immediately stop and cause all its suppliers and sub-contractors to stop all work under the Purchase Order or the part, which has been terminated.

21. LIMITATION OF BUYER'S LIABILITY

THE BUYER SHALL NOT BE LIABLE TO THE SUPPLIER FOR ANY INDIRECT DAMAGE OR CONSEQUENTIAL LOSSES, INCLUDING, BUT NOT LIMITED TO, THE LOSS OF PROFITS, LOSS OF INCOME AND THE LOSS OF DATA. THE BUYER'S LIABILITY IN RELATION TO ANY CLAIM FOR LOSS OR DAMAGE ARISING OUT OF OR, IN CONNECTION WITH, OR RESULTING FROM THESE TERMS AND CONDITIONS OR A PURCHASE ORDER SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE GOODS AND/OR SERVICES OR UNIT THEREOF GIVING RISE TO THE CLAIM.

22. TITLE AND RISK

Title to the Goods shall pass to the Buyer upon delivery to the designated delivery point without prejudice to any right of rejection, which may accrue to the Buyer under these Terms and Conditions. Delivery of the Goods and/or Services to the designated delivery point extinguishes the Supplier's proprietary rights in them and the Supplier retains no title. The Supplier shall: (a) be responsible for and bear the risk of loss of or damage to the Goods until they are collected by or delivered to the designated delivery point as stated in the Purchase Order and accepted by the Buyer's authorised representative, and (b) bear all risks and expenses related to the return of rejected Goods requiring correction, including without limitation, freight, duties, insurance, packaging, materials and labour costs.

23. WAIVER AND REMEDIES

Neither the Buyer's failure to insist on the performance of any of these Terms and Conditions, nor its failure to exercise any right or privilege, nor its waiver of any breach hereunder, shall be deemed to be a waiver of any of the provisions under these Terms or Conditions or breaches by the Supplier of a Purchase Order whether of the same or a similar type. The rights and remedies provided by these Terms and Conditions are cumulative and in addition to and not exclusive of any rights or remedies provided by law.

24. COOPERATION AND GOOD FAITH

Each of the Parties undertakes at all times to do all such things, perform all such acts, take all such steps and procure the doing of all such things, within its power and control, as may be open to it, necessary for and incidental to the putting into effect or maintenance these Terms and Conditions.

The Parties shall at all times act in good faith towards each other and shall not bring the other party into disrepute.

25. PROTECTION OF PERSONAL INFORMATION & PEPSICO GLOBAL INFORMATION SECURITY REQUIREMENTS

The Supplier shall fully comply with the statutory obligations contained in Protection of Personal Information Act 4 of 2013 of the Republic of South Africa (“POPI”) when processing Personal Information that the Supplier is exposed to during the course of delivering the Goods and/or Services, which include but is not limited to information relating to the Buyer’s employees, suppliers, customers, service providers and business. Without limiting the generality of the aforesaid, the Supplier shall ensure that the statutory obligations in respect of privacy and data protection in terms of POPI are strictly adhered to when processing data subject's Personal Information and Buyer shall have the absolute right in its sole discretion to conduct a POPI compliance audit of the Supplier’s systems and processes when handling and processing personal information.

Notification of security breaches - Supplier will inform Buyer in a timely manner regarding any breaches that may impact Buyer or the integrity of Buyer’s data.

Right to perform assessment - by request or upon significant changes to the relationship, Supplier will accommodate Buyer’s information security assessments by providing information/documentation on related policies and practices.

Adherence to security practices - Supplier and its sub-contractors will adhere to industry acceptable practices regarding security policies/ guidelines/ standards (including physical security, onboarding and off-boarding resources, etc.).

Timely response to vulnerabilities - Supplier will remediate, within industry best practice timelines, security vulnerabilities that may impact Buyer.

Communication of significant changes - Supplier will inform Buyer in a timely manner of major changes in its data environment that may impact Buyer.

Access to Personal Information (PI) - Supplier will notify Buyer of any access it will have to Personal Information (PI). “Personal Information” means Buyer data that relates to or can be attributed to an identified or identifiable natural person and/or information concerning an identified or identifiable natural person that is protected by applicable laws.

26. ADDRESS FOR NOTICES AND LEGAL PROCESS

Any written notice must be addressed to: Pioneer Food Group Proprietary Limited, Glacier Place, 1 Sportica Crescent, Tygervalley, 7530, South Africa or e-mail at legalssa@pepsico.com and must be marked for the attention of the Legal Department.

Any legal document must be delivered to / served by hand at: Pioneer Food Group Proprietary Limited, Glacier Place, 1 Sportica Crescent, Tygervalley, 7530, South Africa and must be marked for the attention of the Legal Department.

27. ENTIRE AGREEMENT

A Purchase Order shall incorporate these Terms and Conditions and shall constitute the entire agreement of the Supplier and the Buyer regarding the supply of Goods and/or Services and shall override and supersede any previous agreement or arrangement whether oral or in writing between the Supplier and the Buyer unless expressly accepted in writing and signed by an authorised representative of the Supplier and the Buyer. These Terms and Conditions and any Purchase Order may not be modified except in writing and signed by an authorised representative of the Supplier and the Buyer.

28. GOVERNING LAW

These Terms and Conditions and all Purchase Orders shall be governed by and construed in accordance with the law of the Republic of South Africa.

29. BBEE: Broad-Based Black Economic Empowerment

Should the Supplier be a South African entity, Supplier undertakes to provide the Buyer with its BBEE rating certificate in relation to broad-based black economic empowerment on request. If the Supplier is not a BBEE rated company, the Buyer reserves the right, upon written notice, to demand that the Supplier becomes a BBEE rated company within a period of 12 (twelve) calendar months. Should the Supplier fail to comply with such demand, the Buyer shall be entitled to terminate these Terms and Conditions and any Purchase Order yet to be delivered on written notice to Supplier.

30. GENERAL WARRANTIES

Supplier hereby warrants to and in favour of Buyer that:

- (a) it has the legal capacity and has taken all necessary corporate action required to empower and authorise it to enter into these Terms and Conditions;
- (b) to the best of its knowledge and belief, it is not aware of the existence of any fact or circumstance that may impair its ability to comply with all its obligations in terms of these Terms and Conditions;
- (c) it accepts these Terms and Conditions as principal (and not as agent or in any other capacity);
- (d) it is not relying upon any statement or representation by or on behalf of Buyer, except those expressly set forth in these Terms and Conditions.
- (e) there are no circumstances, facts or reasons which are known, or ought to be known by the Supplier, which should have been disclosed to the Buyer and which would have influenced the Buyer's decision in appointing the Supplier to supply the Goods and/or Services;
- (f) it has the appropriate governance, risk management, business continuity plans and internal controls in place to deliver the Goods and/or Services in accordance with these Terms and Conditions and to comply with all applicable laws;
- (g) it shall at all times manufacturer, supply and deliver the Goods and/or Services with competence, integrity and diligence;
- (h) it has the operational capability and financial means and reserves to deliver the Goods and/or Services in accordance with these Terms and Conditions; and
- (i) it has in place and will maintain for the duration of its performance under a Purchase Order the requisite licenses, qualifications and authority to provide the Goods and/or Services.

Supplier's representations and warranties under this clause shall be a separate warranty and will in no way be limited or restricted by inference from the terms of any other warranty or by any other provisions in these Terms and Conditions; shall continue and remain in force notwithstanding the completion of any or all the transactions contemplated in these Terms and Conditions; and shall prima facie be deemed to be material and to be a material representation inducing the Buyer to enter into these Terms and Conditions.