

NEC3 Term Service

Short Contract (TSSC3)

A contract between Fraser Alexander TAILINGS, a division of Fraser Alexander Proprietary Limited (Registration number 2005/028043/07)

and [•] (Registration number [•])

for the XX at XX

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Documentation prepared by: Aubrey Baloyi & [•]

10.1	The Employer is	
	Name	Fraser Alexander Tailings, a division of Fraser Alexander (Proprietary Limited, a private company incorporated in terms of the company laws of the Republic of South Africa, registration number 2005/028043/07
	Address (registered office)	Building 10 Greenstone Hill Office Park, Emerald Boulevard, Edenvale, 1609
	Telephone	+27 (0)11 929 3600
	E-mail address	Kholofelom@fraseralexander.co.za
14.5	If the Employer appoints an Employer's Agent, Employer's agent is	
	Name	Kholofelo Masunga
	Telephone	+27 (0)11 929 3600
	E-mail address	Kholofelom@fraseralexander.co.za
	The authority of the Employer's Agent is	to issue and receive communications including Task Orders, for and on behalf of the <i>Employer</i> .
11.2(5)	The service is	[•]
30.1	The starting date is	[•]
	The starting date is The service period is	[•] [•]
30.1		
	The service period is	[•]
	The service period is The period for reply is	[•] 1 (one) week
30.1 13.2 50.1	The service period is The period for reply is The assessment day is the The period within which payment shall	 [•] 1 (one) week 25th of each month. 60 (sixty) days of receipt of the statement, or 7 (seven) days of receipt of the statement with 2.5% settlement
30.1 13.2 50.1	The service period is The period for reply is The assessment day is the The period within which payment shall	 [•] 1 (one) week 25th of each month. 60 (sixty) days of receipt of the statement, or 7 (seven) days of receipt of the statement with 2.5% settlement discount Payments are only made on a Friday, in the event that the payment date falls on a day which is not a Friday, the payment date shall
30.1 13.2 50.1	The service period is The period for reply is The assessment day is the The period within which payment shall be made is	 [•] 1 (one) week 25th of each month. 60 (sixty) days of receipt of the statement, or 7 (seven) days of receipt of the statement with 2.5% settlement discount Payments are only made on a Friday, in the event that the payment date falls on a day which is not a Friday, the payment date shall be the next Friday.

FRASER	ALEXANDER	TAILINGS
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XX AT XX

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	Does the United Kingdom Housing Grants, Construction and Regeneration Act (1996) apply?	No	
41.1	The defects date is	52 weeks after Task Completion Date.	_
42.2	The period for the correction after task Completion Date is	1 (one) week	_
80.1	The Contractor is not liable to the Employer for loss of or damage to the Employer's property in excess of	the insurance deductibles	
82.1	The Employer provides this insurance	Employer's property insurance	
82.1	The minimum cover for the first insurances stated in the Insurance Table is	R5,000,000.00 (five million Rand) in respect of each claim, without limit to the number of claims.	
82.1		R5,000,000.00 (five million Rand) in respect of each claim, without limit to the number of claims.	
82.1		R5,000,000.00 (five million Rand) in respect of each claim, without limit to the number of claims.	
93.1	The Adjudicator is	the person selected by the Parties from the ICE- SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators (see <u>www.ice-sa.org.za</u>).	
		If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (UK) or its successor body (See <u>www.ice-sa.org.za</u>).	
93.2(2)	The Adjudicator nominating body is:	the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (UK) or its successor body (See <u>www.ice-sa.org.za</u>).	
93.4	The tribunal is:	arbitration.	
	If the <i>tribunal</i> is arbitration, the arbitration procedure is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.	
	The place where arbitration is to be held is	Johannesburg, South Africa	

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The person or organisation who will choose an arbitrator - if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is	the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.	
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11.1 The conditions of contract are the NEC3 Term Service Short Contract (April 2013)¹ and the following additional conditions.

Z1 Cession delegation and assignment

- Z1.1 The Contractor does not cede, delegate, subcontract or assign any of its rights or obligations to any person without the written consent of the Employer.
- Z1.2 Notwithstanding the above, the Employer may on written notice to the Contractor cede and delegate its rights and obligations under this contract to any of its subsidiaries or any of its present divisions or operations which may be converted into separate legal entities as a result of the restructuring.

Z2 Change of Broad Based Black Economic Empowerment (B-BBEE) status

- Z2.1 Where a change in the Contractor's legal status, ownership or any other change to his business composition or business dealings results in a change to the Contractor's B-BBEE status, the Contractor notifies the Employer within seven days of the change.
- Z2.2 The Contractor is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the Employer within thirty days of the notification or as otherwise instructed by the Employer.
- Z2.3 Where, as a result, the Contractor's B-BBEE status has decreased since the Contract Date the Employer may either re-negotiate this contract or alternatively, terminate the Contractor's obligation to Provide the Service.
- Z2.4 Failure by the Contractor to notify the Employer of a change in its B-BBEE status may constitute a reason for termination. If the Employer terminates in terms of this clause, the procedures on termination are the same as for Reason 3 identified in clause 90.3.

Z3 Ethics

- Z3.1 Any offer, payment, consideration, or benefit of any kind made by the Contractor, which constitutes or could be construed either directly or indirectly as an illegal or corrupt practice, as an inducement or reward for the award or in execution of this contract constitutes grounds for terminating the Contractor's obligation to Provide the Service or taking any other action as appropriate against the Contractor (including civil or criminal action).
- Z3.2 The Employer may terminate the Contractor's obligation to Provide the Service if the Contractor (or any member of the Contractor where the Contractor constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations) is found guilty by a competent court, administrative or regulatory body of participating in illegal or corrupt practices.

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¹ Can be obtained from Engineering Contract Strategies on <u>www.ecs.co.za</u>, Tel 011 803 3008, Fax 086 539 1902

Such practices include making of offers, payments, considerations, or benefits of any kind or otherwise, whether in connection with any procurement process or contract with the *Employer* or other people or organisations and including in circumstances where the *Contractor* or any such member is removed from the an approved vendor data base of the *Employer* as a consequence of such practice.

- Z3.3 Notwithstanding the provisions of clause 90, the procedures on termination in terms of this clause are the same as for Reason 3 identified in clause 90.3. The *Employer* shall also have the right to claim a penalty from the *Contractor* that is:-
 - the actual amount lost calculated as the difference between the price paid to the Contractor and the lower price the Employer could have procured the Service from Others.

Z4 Confidentiality undertaking

- Z4.1 The Contractor does not disclose or make any information arising from or in connection with this contract available to Others. This undertaking does not, however, apply to information which at the time of disclosure or thereafter, without default on the part of the Contractor, enters the public domain or to information which was already in the possession of the Contractor at the time of disclosure (evidenced by written records in existence at that time). Should the Contractor disclose information to Others, the Contractor ensures that the provisions of this undertaking are complied with by the recipient.
- Z4.2 If the Contractor is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Employer*.
- Z4.3 In the event that the Contractor is, at any time, required by law to disclose any such information which is required to be kept confidential, the Contractor, to the extent permitted by law prior to disclosure, notifies the Employer so that an appropriate protection order and/or any other action can be taken if possible, prior to any disclosure. In the event that such protective order is not, or cannot, be obtained, then the Contractor may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that confidential treatment will be afforded to the information so disclosed.
- Z4.4 The Contractor shall not make or issue any formal or informal announcement, advertisement or statement to the press in connection with this Contract or otherwise disclose the existence of this Contract or the subject matter thereof to any other person without the prior written consent of the Employer.
- Z4.5 The Contractor ensures that all his subcontractors abide by the undertakings in this clause.
- Z4.6 This confidentiality undertaking shall survive the termination of this Contract for any reason whatsoever.

Z5 Waiver and estoppel: Add to clause 12.3:

Z5.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, or the Adjudicator does not constitute a waiver of rights, and does not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.

Z6 Provision of a Tax Invoice. Add to clause 51

- Z6.1 The Contractor provides the Employer with a tax invoice in accordance with the Employer's procedures stated in the Service Information, showing the correctly assessed amount due.
- Z6.2 If the Contractor does not provide a tax invoice by the time required in this contract for his assessment of each amount due, the time by when the Employer is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice.
- Z6.3 The Contractor (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the Employer's VAT number 4860224031 on each invoice he submits for payment.
- Z.6.4 The Employer shall be entitled to stipulate, on reasonable written notice, invoicing standards applicable to any claims by the Contractor.

Z7 Employer's limitation of liability

Z7.1 The Employer's liability to the Contractor for the Contractor Contractor's indirect or consequential loss is none.

Z8 Termination: Add to clause 90.2 before (Reason 1)

Z8.1 or had a judicial management order granted against it.

Z9 Addition clause 50.5

29.1 If the amount due for the Contractor's payment of delay damages reaches the limits stated in this Contract Data (if any), the *Employer* may terminate the Contractor's obligation to Provide the Service using the same procedures and payment on termination as those applied for Reason 3. Identified in clause 90.3.

Z10 Proprietary rights

Z10.1 The Contractor acknowledges and agrees that all rights in and to the Employer's Intellectual Property made available to the Contractor by the Employer from time to time, vest and shall remain vested in the Employer and that the Employer is the owner thereof.

Z11 Non Solicitation

211.1 Neither Party shall, without the prior written consent of the other Party, either during, or within twenty four (24) months after termination or expiration of this Contract, solicit for employment, whether directly or indirectly, any person who, at any time during the duration of this Contract, was a member of the other Party's personnel or who was directly involved with any activity relating to this Contract.

PART C1: CONTRACT DATA

Z12 Prevention

- Z12.1 No Party shall be liable for any default or delay in the performance of its obligations under this Contract if and to the extent:-
 - such default or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, riots, civil disorder, rebellions or revolutions in any country or any other cause beyond the reasonable control of such Party;
 - the non-performing Party is without fault in causing such default or delay;
 such default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other
- Z12.2 If any event under clause Z12.1 substantially prevents, hinders, or delays the Delivery of the Service necessary for the performance of the *Employer's* functions reasonably identified by the *Employer* as critical for more than three (3) consecutive days, then at the *Employer's* option:-
 - the Employer may procure such service from an alternate source; and/or
 - the Employer may terminate any portion of this Contract so affected without liability and the amounts payable under this Contract shall be equitably adjusted to reflect those terminated service and/or services; and/or
 - the Employer may terminate this Contract without liability to the Contractor as of a date specified by the Employer in a written notice of termination to the Contractor.

Z13 Add clause 20.2:

means.

Z13.1 The Contractor shall advise and assist the Employer with respect to all aspects of the provision of the Service.

Z14 Add clause 91.3:

Z14.1 The Contractor shall, within 1 (one) week of termination of this Contract or scope, as the case may be, deliver to the Employer all correspondence, documents, material and property belonging to the Employer which may be in its possession or under its control, or in the possession of any of its personnel or under their control, together with all the Confidential Information or proprietary rights, provided that in the case of a termination of a particular scope, this clause 91.3 shall only apply to those items which relate to such scope.

Z15 Amend clause 92.3:

Z15.1 '5%' is replaced with '0%'.

Z16 Dispute Resolution: Add to clause 93.1 before first sentence.

Z16.1 Any disagreement arising under or in connection with this contract shall be referred to the managing directors of each of the Parties or alternates appointed by them, who will use their best endeavours to resolve the dispute within ten (10) days of it having been referred to them.

Z16.2 Any disagreement not resolved in accordance with clauses Z16.1, will immediately become a dispute.

Z17 Relationship of the Parties

- Z17.1 The relationship of the Parties, inter se, shall be governed by the terms of this Contract and nothing contained herein shall be deemed to constitute a partnership or to constitute one Party the agent of the other for any purpose whatsoever.
- Z17.2 No Party shall by reason of the actions of any other party incur any personal liability as a co-partner to any third party and no Party shall be entitled to authorise, to represent or hold out to any third party that the relationship between the Parties is that of a partnership, as aforesaid

C2 The Contractor's Offer

The Contractor is advised to read both the NEC3 Term Services Short Contract (April 2013) and the relevant parts of its Guidance Notes (SSC3-GN)² in order to understand the implications of this Data which the Contractor is required to complete

10.1	The Contractor is	
	Name	[•]
	Registration number	[•]
	Address (registered address)	[•]
	Tel No.	[•]
	Fax No.	[•]
	E-mail address	[•]
	The Contractor's agent is (Name):	[•]
	Tel No.	[•]
	E-mail address	[•]
63.2	The percentage for overheads and profit added to the Defined Cost for people is	[•] %
63.2	The percentage for overheads and profit added to other Defined Cost is	[•] %

The Contractor offers to Provide the Service in accordance with the conditions of contract for an amount to be determined in accordance with the conditions of contract.

The offered total of the Prices for part of the service in Part 1 of the Price List is	[•]
The offered total of the Prices for part of	

the service in Part 2 of the Price List is [•]	1

Signed on behalf of the Contractor				
Name				
Position				
Signature	Date			
Witness				

² Available from Engineering Contract Strategies on <u>www.ecs.co.za</u> Tel 011 803 3008, Fax 086 539 1902.

PART C2: THE CONTRACTOR'S OFFER

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C3 The Employer's Acceptance

The Employer accepts the Contractor's Offer to Provide the Service

Signed on behalf of the Employer			
Name			
Position			
Signature	Date		
Witness			

C4 Price List

C4.1 Pricing assumptions

The Price List is in two parts. Part 1 is for work described in the Service Information not requiring the Employer to issue a Task Order. Part 2 is for work to be carries out within a stated period of time on a Task by Task basis and instructed by Task Order. The service may comprise work under Part 1 only or Part 2 only or a mix of both.

Entries in the first four columns of Part 1 and Part 2 of the Price List are made either by the *Employer* or the *Contractor*. The Contractor enters a rate for each item and multiplies it by the Expected quantity to produce the Price to be entered in the final column.

If the Contractor is to be paid an amount for the item which is not adjusted if the quantity of service in the item changes, the Contractor enters the amount in the Price column only, the Unit, Quantity and Rate columns being left blank.

If the Contractor is to be paid an amount for the item of work which is the rate for the work multiplied by the quantity completed, the Contractor enters a rate for each item and multiplies it by the Expected Quantity to produce the Price, to be entered in the final column.

If the Contractor is to be paid a Price for an item proportional to the length of time for which a service is provided, a unit of time is stated in the Unit column and the expected length of time (as a quantity of the stated units of time) is stated in the Expected quantity column.

Price adjustment for poor performance

The Employer reserves the right to proportionally reduce the amount due to the Contractor for nonperformance and / or partial performance.

C4.2 Price List

The rates and Prices entered for each item includes for all work and other things necessary to supply the item. The rates and Prices are excluding VAT.

ltem no.	Description	Unit	Expected Quantity	Rate	Price

Total of the Prices for Part 1

ltem no.	Desc

Part 2

ltem no.	Description	Unit	Expected Quantity	Rate	Price

Total of the Prices for Part 2

PART C4: PRICE LIST

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C4.3 Price adjustment for inflation

The rates and Prices entered for each item may be adjusted as per the below.

Price adjustment components (to be completed by Contractor)

COMPONENT	% CONTRIBUTION TO TOTAL PRICE	RELEVANT INDEX	BASE DATE	BASE INDICATOR	
Fixed portion	15%				
TOTAL	100%				

1. The rates and Prices shall be fixed and firm for the period of twelve (12) months from the starting date and will be adjusted once on the anniversary of the starting date in accordance with this C2.3 (price adjustment for inflation) for the consecutive years.

No adjustment in the rates and Prices shall be effective until accepted in writing by the Snr Procurement Manager of Fraser Alexander (Pty) Ltd. Requests by the *Contractor* for an adjustment in the rates and Prices ("Requests") will be considered by the *Employer*, without any obligation on the part of the *Employer* to agree thereto, provided that –

- 1.1. Requests are addressed to the Snr Procurement Manager, Fraser Alexander (Pty) Ltd and submitted in writing to the Employer at least 60 (sixty) calendar days prior to the proposed date of the adjustment, supported by such documentary evidence as may be required by the Employer, it being clearly understood that the 60 (sixty) day period will only commence when documentary evidence to the satisfaction of the Snr Procurement Manager, on behalf of the Employer, has been submitted;
- 1.2. An adjustment shall be with effect from the date of written acceptance thereof by the Snr Procurement Manager on behalf of the Employer, shall only apply in respect of Service to be rendered pursuant to Task Orders issued after the date of such acceptance, and no such adjustment shall be applied by the Contractor in respect of Service Provided pursuant to any Task Orders issued prior to such acceptance.
- 1.3. At any time after receipt of a Request, the *Employer* shall be entitled to call for tenders in respect of the Service and shall be entitled but not obliged to terminate this Contract upon

PART C4: PRICE LIST

30 (thirty) days written notice to the Contractor. Neither Party shall have any claim of whatsoever nature against the other by reason of such termination.

1.4. Acceptance or rejection of any Request shall be in the sole and absolute discretion of the Employer. Should the Snr Procurement Manager, on behalf of Fraser Alexander (Pty) Ltd, and the Contractor fail to reach agreement on any adjustment in the rates and Prices, the Employer shall be entitled, but not obliged, to terminate this Contract upon 30 (thirty) days written notice to the Contractor. Neither party shall have any claim of whatsoever nature against the other by reason of such termination.

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C5: Service Information

C3.1 Service Information

Notes to the document compiler are provided in boxes like this one. They are not part of the contract and should be deleted before printing the final draft.

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The Service Information should be a complete and precise statement of the Employer's requirements. If it is incomplete or imprecise there is a risk that the Contractor will interpret it differently from the Employer's intention. Information describing the Employer's requirements for the supply of the service including the information to be provided by the Contractor in connection with the supply of the service, should be stated in the section headed Supply requirements.

1. Description of the service

Give a detailed description of what service the Contractor is required to supply. This may include drawings. Give the information of the required quality standards, the tests and inspections required and any health and safety requirements.

2. Specifications

List the specifications that apply to this contract. Some typical headings have been provided as a minimum; delete if not required or expand and include correct titles as applicable.

Title	Date or revision	Tick if publicly available
General Specifications:		
Health and Safety requirements		
Environmental requirements		
Technical specifications:		

PART C5: SERVICE INFORMATION

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3. Constraints on how the Contractor Provides the Service

State any constraints on how the Contractor is to provide the service such as any limits on subcontracting. Also include any management related constraints, invoicing and payment

procedures some of which have been inserted below as a minimum guide.

3.1 COVID-19 Vaccination

The Contractor will ensure that all its representatives, employees, agents, subcontractors, or suppliers who comes into contact with *Employer's* representative(s) / employee(s), and / or performs any part of their contractual duties, including deliveries, within the *Employer's* site are fully vaccinated for COVID-19. At its discretion, the *Employer* may deny any unvaccinated representative of the *Contractor* access to any of *Employer's* sites or personnel, and / or terminate this Contract immediately, as the *Contractor* would have substantially broken a health or safety regulation.

3.2 Invoicing and payment

In terms of core clause 50 the *Contractor* assesses the amount due and applies to the *Employer* for payment. The *Contractor* applies for payment with a tax invoice addressed to the *Employer* as follows:

The Contractor includes the following information on each tax invoice:

- Name and address of the Contractor
- The contract number and title;
- Contractor's VAT registration number;
- The Employer's VAT registration number which is ______
- The total of
- The Price for each lump sum item in the Price List or Task Order which the Contractor has completed;
- Where a quantity is stated for an item in the Price List or Task Order, an amount calculated by multiplying the quantity which the *Contractor* has completed by the rate,
- Other amounts to be paid to the Contractor;
- Less amounts to be paid by or retained from the Contractor;
- The invoiced amount excluding VAT, the VAT and including VAT;
- (add other as required)

Add procedures for invoice submission and payment (e.g. electronic payment instructions)

3.3 Records of Defined Cost

In order to substantiate the Defined Cost of compensation events, the *Employer* may require the *Contractor* to keep records of amounts paid by him for people employed by the *Contractor*, plant and materials, work subcontracted by the *Contractor* and equipment. [See clause 11.2(2) and 63.2]. State in what form these records are to be kept and how accessed by the *Employer*.

3.4 BBBEE and preferencing scheme

PART C5: SERVICE INFORMATION

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Specify constraints which Contractor must comply with after contract award in regard to any Broad Based Black Economic Empowerment (B-BBEE) or preferencing scheme measures.

4. Requirements for the plan

This information is required by clause 32.1. State whether a plan is required and, if it is, state what form it is to be in, what information is to be shown on it, when it is to be submitted and when it is to be updated.

5. Services and other things provided by the Employer

Describe what the *Employer* will provide, in connection with the supply of the service, such as transport, loading or unloading of the service.

Item	Date by which it will be provided

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			vork within the s	ervice is ins	tructed to	be carried a	out within a	stated time	
period on o	a task C	Order Basis.							
Contract n	umber	[•]							
service [•]									
Task Order	No.	[•]		Do	ate				
To: [•]							(the Contractor)		
I propose to	o instru	ct you to car	ry out the follow	ving task:					
Description	• [●]								
Starting da	te [•]			Co	ompletion	date [•]			
Delay dam	nages p	er week [•]							
Please subi	mit you	r price and p	programme pro	posals belov	w:				
Signed			Name	Name Date					
			(for the Emp	loyer)				
Item no.	Desc	cription			Unit	Quantity	Rate	Price	
			То	tal of Prices	for items of	of work on the	e Price List		
								1	
			Total c	of Prices for	items of w	ork not on the	e Price List		
						Total of	the Prices		
The progra	mme fo	or the Task is [•]						
Signed			Name			Date			
			(f	or the Cont	ractor)				
I accept th	ne abov	e price and	programme an	id instruct ye	ou to carry	out the Task			
Signed:				Nc	ame (in pri	nt)			
	(for the Emplo	oyer)						
								-	

PART C6: PRO FORMA TASK ORDER

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