



# GENERAL CONDITIONS

OPEN TENDER FOR RE-BUILDING AND MAINTENANCE ON  
HAUL ROAD WITH PLACEMENT OF BITUMINOUS EMULSION  
FROM RAIL SIDING TO CHPP PALNT



## TABLE OF CONTENTS

	PAGE
A. <b><u>CORE GENERAL CONDITIONS</u></b>	
1. INTERPRETATION	4
2. REPRESENTATIVES	12
3. CONTRACTOR'S OBLIGATIONS	12
4. ASSIGNMENT AND SUB-CONTRACTING	13
5. INFORMATION PROVIDED BY THE COMPANY	13
6. EXTENSIONS OF TIME	13
7. VARIATIONS	13
8. PUBLICITY	15
9. CONFIDENTIAL INFORMATION	15
10. PAYMENT	16
11. TAXES	18
12. TERMINATION AND DEFAULT	20
13. DISPUTE RESOLUTION	22
14. ACCOUNTS AND RECORDS	24
15. NOTICES	25
16. CONFLICTS OF INTEREST	25
17. BUSINESS INTEGRITY	26
18. LIABILITY	27
19. INDEMNITY	28
20. GOVERNING LAW AND LANGUAGE	29
21. THIRD PARTY RIGHTS	29
22. WAIVER	29
23. ENTIRE AGREEMENT	29
24. SEVERANCE	30
25. NUMBER OF ORIGINALS	30
B. <b><u>SERVICES GENERAL CONDITIONS</u></b>	30
26. CONTRACTOR STATUS	30
27. SERVICES	30
28. CONTRACTOR'S PERSONNEL	31
29. SUSPENSION OF SERVICES	31
30. CONSEQUENCES OF TERMINATION	33



31.	LOCAL SUPPLIERS	34
32.	INSURANCE	35
C.	<b><u>SITE PROVISIONS</u></b>	37
33.	SITE	37
34.	OTHERS ON SITE	38
35.	HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY	38
D.	<b><u>GOODS</u></b>	38
36.	GOODS	38



## A. CORE GENERAL CONDITIONS

### 1. INTERPRETATION

1.1 In this Contract, unless the contrary intention appears:

**"Affiliated Entity"** means, in relation to a Party, a subsidiary or a holding company or any other subsidiary of that holding company. A company is a "subsidiary" of another company, its "holding company", if that other company:

- (a) holds a majority of the voting rights in it, or
- (b) is a member or shareholder of it and has the right to appoint or remove majority of its board of directors, or
- (c) is a member or shareholder of it and controls alone, pursuant to an agreement with other members or shareholders, a majority of the voting rights in it, or
- (d) if it is a subsidiary of a company that is itself a subsidiary of that other company.

**"Civil Code"** means the Civil Code approved by Decree Law 47.344 and in force in the Republic of Mozambique, as amended, re-enacted or substituted from time to time.

**"Civil Procedure Code"** means the Civil Procedure Code approved by Decree Law 44.129 and in force in the Republic of Mozambique, as may be amended, re-enacted or substituted from time to time.

**"Claim"** means any judicial or extra-judicial action, suit, proceeding or demand of any kind (including by or against any or all of the Company, the Contractor Personnel or any third party).

**"Commencement Date"** or **"Contract Execution Date"** means the date on which the Contract is signed between the Company and the Contractor or the date on which the Letter of Intent (if any) is issued, whichever is earlier.

**"Communications"** means all notices, notifications, invoices, certificates, approvals, appointments of representatives, consents, statements, reports, authorizations, ratifications, delegations, Claims and other communications (other than day to day communications).

**"Company"** has the meaning given in the Form of Agreement and includes its successors and assigns.



"**Company Representative**" means the Person identified as such in the Form of Agreement, as replaced in accordance with Sub-clause 2.2.

"**Company Rules**" means the Company's rules, requirements, policies and standards as obtainable from the Company, including but not limited to the HSEC Requirements.

"**Completion Date**" means the relevant date provided for completion of the Services as set out in the Form of Agreement and as amended pursuant to Clause 6 or 7 of the General Conditions of Contract.

"**Contract**" or "**Agreement**" has the meaning given in Sub-clause 1.3.

"**Contract IP**" means all Intellectual Property Rights (present or future) created, discovered or coming into existence in connection with the performance of the Contract (including all Intellectual Property Rights in anything developed by the Contractor or its Personnel in performance of the Contract and any Intellectual Property Rights in the Documentation).

"**Contract Price**" or "**Price**" means the sums payable to the Contractor for the performance of the Services in accordance with the Form of Agreement and Schedule A.2 (if any), as varied in accordance with the Contract.

"**Contract Objectives**" means the objectives for which the Contract is executed, as may be described in the Contract Specification.

"**Contract Specification**" or "**Specification**" means the specification referenced in the Form of Agreement and any modification thereto in accordance with the Contract.

"**Contractor**" means the Person referred to as the Contractor in the Form of Agreement and its successors and permitted assigns.

"**Contractor IP**" means the Contractor's Intellectual Property Rights which are incorporated in anything supplied under the Contract and which:

- (a) are in existence at the Commencement Date; or
- (b) come into existence after the Commencement Date otherwise than in connection with the Contract.

"**Contractor's Insurance Policies**" means any insurance policy the Contractor is required to maintain under the terms of the Contract.

"**Contractor Representative**" means the Person identified as such in the Form of Agreement, as replaced in accordance with Sub-clause 2.2.



**"Correct Invoice"** means an invoice which satisfies the requirements of Sub-clause 10.3 and the requirements of the Law applicable from time to time.

**"Country"** means the country in which the Site is located, as identified in the Form of Agreement.

**"Customs Duties"** means any Tax or tariff imposed, claimed, levied or assessed by, or payable to, any Government Agency in relation to the import or export of Goods, and includes any bond or guarantee imposed by any Government Agency in lieu of such Tax or tariff.

**"Day"** means a calendar day unless otherwise stated.

**"Default Notice"** means a written notice specifying the default alleged and requiring the other Party to remedy the default.

**"Direction"** means any decision, demand, determination, direction, instruction, order, request or requirement of the Company Representative made to the Contractor under the Contract.

**"Dispute"** means any dispute, conflict, question or difference of opinion between the Parties concerning or arising out of or in connection with the Contract.

**"Documentation"** means, but is not limited to, documentation, plans, designs, Drawings, calculations, engineering information, data, specifications, sketches, notes, samples, reports, maps, accounts, operating manuals, training materials and any other material specified in the Contract (and whether embodied in tangible or electronic form).

**"Drawings"** means the drawings required for the performance of the Services and includes drawings as may be supplied to the Contractor by the Company Representative.

**"EFT"** means electronic funds transfer.

**"Form of Agreement"** means the form evidencing the Contract between the parties in respect of the Services.

**"General Conditions"** means the General Conditions of the Services Contract.

**"Goods"** or **"Equipment"** means the materials, supplies, plant, equipment, facilities, spare parts and other things intended to form or forming part of the Services.

**"Government Agency"** means any public administration's body which undertakes administrative functions (including State bodies, at a national, state,



provincial, district, regional or local level, bodies of local municipal administration and bodies of public institutes, public companies and para-state companies, public associations and public foundations when undertaking administrative functions), concessionaires of State assets when using their authority powers, Courts, Bank of Mozambique and Constitutional Council.

"**HSEC**" means health, safety, environment and community.

"**HSEC Requirements**" means the Company's health, safety, environmental and community related requirements, requisites, systems, standards, policies, plans, rules and procedures, including those set out in Appendix C.

"**ICC Arbitration Rules**" means the Rules of Arbitration of the International Chamber of Commerce.

"**Indirect Transaction Taxes**" means any value added Tax, goods and services Tax or similar Tax including, without limit, sales, use or specific consumption Taxes, imposed, claimed, levied or assessed by, or payable to, any Government Agency, but does not include any related penalty, fine or interest thereon.

"**Insolvency Event**" means the Contractor:

- (a) stops or suspends, or threatens to stop or suspend, payment of all or a class of its debts;
- (b) becomes insolvent or bankrupt within the meaning of the Civil Procedure Code or other applicable Law;
- (c) is placed under judicial or administrative management or carries on its business under a receiver, trustee, administrator, liquidator, provisional liquidator or director for the benefit of its creditors or any of them, or any step preliminary to the appointment of a receiver, trustee, administrator, liquidator, provisional liquidator or provisional administrator is taken;
- (d) if it is a company, is wound up (not being a members' voluntary winding up for the purpose of amalgamation or reconstruction);
- (e) has an application or order made, proceedings commenced, a resolution passed or proposed in a notice of meeting, an application to a court made or other steps taken against or in respect of it for its winding up or dissolution or for it to enter into an arrangement, compromise or composition with or assignment for the benefit of its creditors, or class of them or any of them;
- (f) if it is a partnership, ceases to have all the partners comprising the partnership as at the date of the Contract; or
- (g) if it is an individual, commits an act of bankruptcy or makes a compromise or composition with or assignment of his property in favour of creditors; or
- (h) suffers any event analogous to the events set out in paragraphs (a) – (g) above in any jurisdiction where it is incorporated or resident.

"**Intellectual Property Right**" means all industrial and intellectual property rights whether protectable by statute, by the Paris Convention for the Protection of



Industrial Property Rights of March 20<sup>th</sup>, 1883 (with all amendments thereto), by use and custom, at common law or in equity, including all copyright, industrial property rights, and similar or related rights which may subsist in works or any subject matter, rights in relation to inventions (including all patents and patent applications), trade secrets and know-how, rights in relation to designs (whether or not registrable), rights in relation to registered or unregistered trademarks, circuit layout designs and rights in relation to circuit layouts.

"**Law**" means any rule issued by a Government Agency, including without limitation, law, decree-law, order, resolutions, notices, Court rules and judgements and any other Court decisions which are binding, treaties and international agreements, any subordinate legislation or other document enforceable under any law, statute, regulation, rule or subordinate legislation at a district, provincial or national level, and includes the modification or re-enactment of it, which affects or is applicable to the Services and/or relates to a Party's rights and obligations under the Contract.

"**Liabilities**" means damages, Claims, demands, losses, liabilities, liquidated sums, charges, costs and expenses of any kind.

"**Nominated Currency**" means the currency specified in the Form of Agreement.

"**Official**" means:

- (a) any officer or employee of any Government Agency, or any person acting in an official capacity on behalf of any such Government Agency;
- (b) any officer, employee or official of a political party;
- (c) any candidate for political office; or
- (d) any officer or employee of a public international organization (for example, the United Nations, IMF or World Bank).

"**Party**" means a party to the Contract.

"**Person**" means a firm or body corporate or unincorporated, a collective person, as well as a natural person.

"**Personnel**" or "**Manpower**" means:

- (a) in relation to the Contractor: any and all of its employees, Sub-contractors (including Sub-contractors' employees), agents and representatives involved either directly or indirectly in the performance of the Contract;
- (b) in relation to the Company: employees, agents or representatives; and
- (c) in relation to a Sub-contractor: any of its employees, agents or representatives involved either directly or indirectly in the performance of the Sub-contract.

"**Project**" has the meaning given in the Form of Agreement.





"**Representatives**" means the Company Representative and the Contractor Representative identified in the Form of Agreement, and "Representative" means either of them as the context requires.

"**Services**" or "**Work**" means all things to be performed by the Contractor in accordance with the Contract including but not limited to all things required by the Scope of Work and/or Contract Specification (as may be amended or varied in accordance with the Contract) and any ancillary works, Goods or services that can reasonably be expected to be provided in conjunction with the services described in the Scope of Work and/or Contract Specification.

"**Site**" means the Benga mine, located at the Benga locality, Moatize District, Tete Province, Mozambique.

"**Special Conditions**" or "**Scope of Work**" means the Special Conditions of Contract or Scope of Work, which are incorporated into this Contract and which add to the clauses of these General Conditions.

"**Standards**" means international standards and codes of practice or other applicable standards and codes of practice expressly specified in the Contract Specification.

"**Sub-contract**" means any agreement, arrangement or understanding between the Contractor and any Person, whether or not in writing, to perform all or any part of the Services on behalf of the Contractor.

"**Sub-contractor**" means any Person engaged by the Contractor to perform all or any portion of the Contractor's obligations under the Contract on behalf of the Contractor, and, where context requires, includes also the Sub-contractor's employees, agents, consultants and invitees.

"**Tax**" means, unless the contrary intention is expressed, any and all taxes, including, without limitation, Indirect Transaction Taxes, excise duty, stamp, customs, import/export, payroll, personal income, property, real property, municipal property tax, interest equalization, business, occupation, and industry, turnover, income, profits, gains, gross receipts, corporation income, inheritance and donations taxes, immovable asset transfer tax, specific gaming tax, national reconstruction tax, motor vehicle tax, fuel tax, municipal taxes of any nature, notarial fees, or other taxes, fees, withholdings, imposts, levies, duties or other charges of any nature, together with any penalties, fines or interest or similar additions, imposed, levied or assessed by any Government Agency or otherwise payable.

"**Tax Benefit**" means, individually or collectively, the fiscal benefits to which the Company may be entitled to under the terms of the applicable Law or as mineral title holder, including but not limited to those which are granted to the Company by the Government of Mozambique, in respect of exploration, mine development and construction and mining operations, including an exemption from or reduction of



Customs Duties, Indirect Transaction Taxes and certain other Taxes on permanent imports into and exports to outside of Mozambican customs territory, subject to the terms of the applicable Law.

**"Tax Invoice"** means an invoice or other equivalent document, including without limit, credit note or debit note or sale note, in a form that is valid under the applicable Law of the jurisdiction in which a liability to pay Indirect Transaction Taxes or any other Tax is imposed, claimed, levied or assessed, and which serves as an accountancy document for the Company.

**"Tax Laws"** means all of the Laws, rules, treaties, conventions, requirements and procedures of the relevant jurisdiction where Tax and Indirect Transaction Taxes are imposed, claimed, levied or assessed.

**"Term"** means the period commencing on the Commencement Date and ending on the earlier of:

- (a) the date that all Services are completed in accordance with the Contract; or
- (b) the date the Contract is terminated pursuant to the Contract or otherwise at Law (including but not limited to expiry, termination, etc.).

**"Trade Warranties"** means the trade warranties, including warranties against defects and warranties of fitness for purpose, provided by the Sub-contractors and specified in the Form of Agreement, and any and all usual and customary trade warranties from the Sub-contractors.

**"UNCITRAL Arbitration Rules"** means the Arbitration Rules of the United Nations Commission on International Trade Law in force at the date of this Contract.

**"Variation"** means a direction by the Company to alter, amend, omit, reduce or add to any part or parts of the Services, tasks, materials, Goods or personnel to be provided or performed by the Contractor, to reduce or increase the quantity of Services, or to change any specified Standards, dimensions, quality of materials, method, specified sequence or timing of the Services.

**"Variation Notice"** means a formal written document of Variation to be signed by the Company and the Contractor stating the Variation to the Services directed by the Company Representative and the adjustments (if any) in the Contract Price and/or the Completion Dates.

**"Working Day"** means any day which is not a Saturday, a Sunday or a national public holiday in the Country or a public holiday at the Site.

1.2 The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and the converse also applies.
- (b) A gender includes all genders.

- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) The meaning of general words is not limited by specific examples introduced by including or for example.
- (e) A reference to a Person or a Party includes a reference to that Person's or Party's executors, administrators, successors, substitutes (including Persons taking by way of novation), assigns (in the case of a Person) and permitted assigns (in the case of a Party).
- (f) A reference to a Clause or Schedule is a reference to a clause of, or schedule to, these General Conditions.
- (g) A reference to a Law includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (h) A reference to "use" in the context of dealing with Intellectual Property Rights includes using, exploiting, copying, adapting, creating derivative works, developing, modifying, disclosing and communications.
- (i) A reference to days (other than a reference to Working Days), months, or years, shall be a reference to calendar days, months or years, as the case may be.
- (j) Unless otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a Working Day, the next succeeding Working Day.
- (k) All references to monetary amounts shall be amounts in the currency referred to in the Form of Agreement unless expressly stated otherwise.
- (l) Nothing in this Contract is to be interpreted against a Party on the ground that the Party put forward the Contract or the relevant part of it.

1.3 The Contract consists of the following documents only:

- (a) the "Form of Agreement" and all documents attached to the Form of Agreement or incorporated in the Form of Agreement;
- (b) these "General Conditions";
- (c) the "Special Conditions" or "Scope of Work"; and
- (d) the "Specification" or "Contract Specification".

collectively referred to as the "**Contract**" or "**Agreement**".

1.4 The Contractor shall have no entitlement to make any claim for any extension of time or any increase to the Contract Price or any other compensation of any kind for any event (including conduct by or negligence of the Company) except as expressly provided for under this Contract.

1.5 Without prejudice to any express provisions of this Contract to the contrary, the obligations of either Party are to be performed at that Party's own cost and expense.



## 2. REPRESENTATIVES

- 2.1 Each Party's Representative shall have full authority to act on that Party's behalf for all purposes of this Contract, except authority to amend this Contract.
- 2.2 Representatives may be replaced on giving written notice to the other Party.

## 3. CONTRACTOR'S OBLIGATIONS

- 3.1 The Contractor shall comply with all of its obligations under this Contract including any requirements set out in the Schedules, Appendices, Annexures and other Contract documents.
- 3.2 Save for where it is expressly stated in this Contract that something will be provided by the Company, the Contractor shall provide everything necessary for the proper performance of the Contract.
- 3.3 The Contractor shall comply and ensure that each of its Personnel comply with the following where applicable:
  - (a) all Laws and Government Agency requirements;
  - (b) all customs and practices of any countries to be visited for the purposes of the performance of the Contract;
  - (c) the Company Rules;
  - (d) the HSEC Requirements;
  - (e) the Directions of the Company Representative or a Person appointed by the Company Representative;
  - (f) all applicable Standards; and
  - (g) all permits, authorizations, approvals and licenses.
- 3.4 The Contractor shall obtain and maintain all permits, licenses, registrations and approvals related to the performance of this Contract and shall give all notices required to be obtained or given by Law or any Government Agency for the performance of the Contract, and will be responsible for any penalties, fines, charges or other levies or costs that may arise if such licenses or permits are not obtained or maintained.
- 3.5 The Contractor shall supply all Personnel necessary for the proper performance of the Contract. Such Personnel must be appropriately qualified, competent, experienced and skilled to perform the works or services in respect of which they are engaged.



#### **4. ASSIGNMENT AND SUB-CONTRACTING**

- 4.1 The Company may assign the Contract or propose that it be substituted by novation, on giving prior written notice to the Contractor. By signing this Contract the Contractor is deemed to consent to any such assignment of the Contract in terms of article 424.2 of the Civil Code.
- 4.2 The Contractor shall not assign or novate the Contract or any part thereof except with the prior written consent of the Company. The Company may, in the Company's absolute discretion, refuse to consent or approve without giving reasons or may give that consent or approval on whatever terms and conditions the Company may think appropriate.
- 4.3 The Contractor shall not Sub-contract the performance of the Contract or any part thereof without the prior written consent of the Company (not to be unreasonably withheld).
- 4.4 No Sub-contract or assignment (whether with or without the consent of the Company) shall in any way relieve the Contractor from responsibility for the performance of the Contract.

#### **5. INFORMATION PROVIDED BY THE COMPANY**

Unless the Company Representative notifies the Contractor otherwise in writing, information provided by or on behalf of the Company or the Company Representative is not guaranteed as to accuracy, sufficiency or completeness and may not be relied upon by the Contractor.

#### **6. EXTENSIONS OF TIME**

- 6.1 The Company Representative may extend the Completion Date for any reason in its absolute discretion where the Company so authorizes.
- 6.2 The Company Representative shall alter the Completion Date to accommodate a Variation in accordance with Clause 7 or to reflect any delay in the performance of the Contract caused by a breach of this Contract by the Company.

#### **7. VARIATIONS**

- 7.1 The Company Representative may notify the Contractor in writing to perform a Variation or the Contractor may propose in writing a Variation for the approval in writing by the Company Representative. The Contractor shall comply with a Variation



notified in writing and shall be bound by the conditions of that Variation as though the Variation was included in the Contract.

## 7.2 **Cost of Variation**

- (a) To the extent that the rates in the Form of Agreement or Schedule A apply, they shall be used by the Contractor to calculate the cost of a Variation, but otherwise the cost of a Variation shall be estimated by the Contractor at the lowest reasonable and direct cost consistent with sound practices and such cost of a Variation shall be subject to approval by the Company.
- (b) The Contractor shall not be entitled to claim or receive any remuneration or compensation in connection with the Variation other than as specified in the preceding Sub-clause (a).

## 7.3 **Variation procedure**

- (a) As soon as possible, but in any event, within 7 Working Days of the date on which:
  - (i) a Variation is notified by the Company Representative; or
  - (ii) the Company Representative makes a request for the Contractor to provide information about a proposed Variation,

the Contractor shall submit to the Company Representative a statement advising of its opinion of the impact of the Variation on the Contract Price, the Completion Date and/or the operations of the Company (if any).

- (b) If the statement required from the Contractor by Sub-clause 7.3(a) is submitted later than the relevant time limit, any claims submitted in connection with the relevant Variation may, at the sole discretion of the Company Representative, be time barred.
- (c) If the Company Representative approves the Contractor's statement submitted under Sub-clause 7.3(a), the Company Representative shall prepare a Variation Notice. The Variation Notice shall accord with the Contractor's statement as approved by the Company Representative and shall be binding on the Parties.
- (d) If the Company Representative does not approve the Contractor's statement submitted under Sub-clause 7.3(a) and the Company Representative and the Contractor are unable to agree upon the impact of the Variation on the Contract Price and/or the Completion Date, then such impact shall be determined by the Company Representative who shall prepare a Variation Notice.
- (e) If the Contractor does not agree with the Variation Notice then the matter shall be deemed to be in Dispute and shall be resolved in accordance with the



provisions of Clause 13. Any disagreement or Dispute hereunder shall in no way relieve the Contractor of its obligation to comply with any Variation Notice.

## 8. **PUBLICITY**

Except as required by Law or regulatory requirement or as otherwise permitted by the Contract, the Contractor may not make, and must ensure that each of its Personnel does not make, any public announcements or disclosures or place any advertisements in relation to the Contract or the Project, without the prior written consent of the Company.

## 9. **CONFIDENTIAL INFORMATION**

9.1 The Contractor must not and must ensure that each of its Personnel does not, without the express prior written consent of the Company, use (other than as is necessary for the good performance of the Contract) or divulge to third parties, any information relating to the Contract, the Project, or the Company or an End User.

9.2 Sub-clause 9.1 does not prevent the Contractor from using and disclosing information which:

- (a) at the time of the first disclosure by the Company was already in the lawful possession of the Contractor in written form;
- (b) is or becomes generally available to the public otherwise than by disclosure in breach of the terms of this Contract; or
- (c) becomes available to the Contractor from a third person legally entitled to possess the information and provide it to the Contractor, if the use or disclosure accords with the right or permission legally granted to the Contractor by that third person.

9.3 Sub-clause 9.1 does not prevent the Contractor from disclosing information if such disclosure is required by Law.

9.4 The Contractor acknowledges that this Clause 9 is for the benefit of the Company that has an interest in any information that is the subject of this Clause.

### 9.5 **Contractor IP**

The Contractor grants to the Company a non-exclusive, transferable, royalty free, irrevocable and perpetual license to use and sub-license all Contractor IP for the purposes of or in connection with the business or the Project.



## 9.6 **Contract IP**

The Contractor agrees that all Contract IP is vested in the Company and is the Company's property as and when created and the Contractor assigns and must ensure that all of its Personnel assign all their respective right, title and interest in and to the Contract IP to the Company.

## 9.7 **Contractor warranty**

The Contractor warrants that:

- (a) the Contractor has the right to grant to the Company the license under Sub-clause 9.5 ; and
- (b) the Contractor has the right to assign all Contract IP to the Company in accordance with Sub-clause 9.6.

## 10. **PAYMENT**

### 10.1 **Contract Price**

- (a) In consideration for the good performance of the Contract, the Company shall pay to the Contractor the Contract Price.
- (b) The Contract Price is inclusive, without limitation, of all expenses and costs incurred by the Contractor in performing the Contract. The Company shall not bear or reimburse any such expenses and costs except as expressly specified in Schedule A.

### 10.2 **Payment Method and Conditions**

- (a) Unless otherwise agreed by the Company and Contractor, all payments to the Contractor shall be made by cheque or by EFT to a bank account in Mozambique nominated by the Contractor, in Meticais, and at the exchange rate applied by the bank of the Company.
- (b) The Contractor shall give 21 Working Days prior notice of any change to the Contractor's banking details.
- (c) If the Contract provides that any amounts are to be paid to the Contractor:
  - (i) outside the Republic of Mozambique; or
  - (ii) in a manner subject to control by any Government Agency,

payment is conditional upon the Company receiving from the Contractor the necessary authorization, approval, registration and consents required for the making of that payment, which may include but is not limited to, approval by or





registration with a Government Agency or as required by applicable Law and proof of payment or exemption from any applicable tax as further detailed in Clause 11.

### 10.3 Invoices

- (a) The Contractor shall submit a Correct Invoice for amounts due under the Contract.
- (b) Correct Invoices shall be issued and delivered to the Company's address no later than the fifth (5<sup>th</sup>) day following the end of the period to which the Services refer to. Except as otherwise agreed between the Parties, the Services shall refer to a full calendar month.
- (c) Invoices must comply with the requirements for a valid Tax Invoice, must be in terms and in a form acceptable to the Company, and must contain the following information:
  - (i) the number of the Contract to which the invoice relates;
  - (ii) a full description of the Services provided in the period covered by the invoice;
  - (iii) details of the place where the Services were carried out;
  - (iv) any further verification or documentation in relation to the invoice as is reasonably required by the Company, including evidence of reimbursable costs claimed;
  - (v) the correct calculation of all amounts due to be paid, including Indirect Transaction Taxes and retention amounts where applicable; and
  - (vi) any further information stipulated in any applicable Laws (including any information necessary to make the invoice a Tax Invoice), or by the Company.

### 10.4 Payment Terms

The Company shall make payment to the Contractor of all undisputed amounts within 30 (thirty) Working Days from the date of receipt of correct invoice. The Company may withhold/recover any amounts, including but not limited to disputed amounts, penalty amounts, etc. and necessary information regarding the withholding/recovery shall be given to the Contractor.



## 10.5 Deductions and Set-off

- (a) The Company may deduct from any money due or becoming due to the Contractor all debts and moneys due or becoming due by the Contractor to the Company and any Taxes which the Company may be required by Law to deduct.
- (b) If the Company fails to deduct an amount referred to in Sub-clause 10.5(a), the Company may claim payment for that amount and the Contractor must pay that amount to the Company within 5 (five) Working Days of receiving notice of the claim.

## 11. TAXES

11.1 Unless expressly specified otherwise, all amounts payable under or in connection with this Contract (including any amount by way of reimbursement, indemnity, damages or otherwise) are inclusive of Taxes.

### 11.2 Withholding Taxes

The Contractor is responsible for its own Taxes, irrespective of the jurisdiction in which such Taxes are assessed or imposed. If the Company is required by any Law to make a deduction or withholding from any payment to the Contractor for or on account of any Taxes, the Company is entitled to make that deduction or withholding unless the Contractor provides the Company with valid documentation (received prior to the date when the payment is to be made) showing to the satisfaction of the Company that an exemption or reduction applies.

### 11.3 Temporary Imports

Where Contractor's Goods are imported into Mozambican customs territory under a temporary import regime for the purposes of the Contract, the Contractor is responsible for compliance with all applicable Law and procedures and the terms and conditions of any temporary import permit issued by the relevant Government Agency, including the payment of any clearance fees, provision of any required security or bond, as well as for re-exportation of such Goods. Any Taxes, fines or related charges arising from the non-compliance by the Contractor of the required temporary importation procedures shall be for the Contractor's sole account.

### 11.4 Permanent Imports

- (a) The Contractor shall comply strictly with the legal, customs, transit, fiscal and other procedures and requirements applicable in accordance with the applicable Law. In the event that any Tax Benefit applies to the import of any goods, any duty, tax or other charge payable as a result of the Contractor's failure to



comply with the procedures and requirements that are conditions for the application of the Tax Benefit, shall be solely for the account of the Contractor.

- (b) The Contractor shall make any application for any Tax Benefit or other exemptions, reductions or rebates requested by the Company. Where any such application is successful, the Contractor will pass on to the Company the full economic benefit of the exemption, reduction or rebate, as the case may be.
- (c) If the Company deems that any Taxes or charges have been inappropriately levied or that an exemption, reduction or rebate of Taxes or other charges applies, the Company may, by written notice to the Contractor, require the Contractor to contest payment of such Taxes or charges subject to the direction of the Company. Where any such contest is successful, the Contractor will pass on to the Company the full economic benefit of the exemption, reduction or rebate, as the case may be.

#### 11.5 Liability in case of non-compliance

Without prejudice to any other provision in this Contract in terms of which the Contractor is responsible for payment of Taxes and charges on imports of Goods into Mozambican customs territory, failure by the Contractor to comply with any of the conditions and requirements of Sub-clauses 11.3 and 11.4, or to follow the applicable procedure, shall result in the Contractor being solely liable for all Taxes, fines, penalties or other charges (the payment of which would otherwise be exempt, reduced or rebated) applied to the import of Goods and other transactions as a result of the failure to comply and, if initially paid for by the Company, may be deducted from any payment of the Contract Price.

#### 11.6 Indirect Transaction Taxes

- (a) The Contractor shall ensure that each invoice it presents to the Company in respect of any Indirect Transaction Taxes is a Tax Invoice. If the Contractor fails to provide the Company with a Tax Invoice within the time period required by applicable Law of the relevant jurisdiction, the Company may withhold payment of the amount payable on account of Indirect Transaction Taxes, either pursuant to Sub-clause 11.6 (b) or as part of the consideration where that consideration is expressed to be inclusive of Indirect Transaction Taxes, until such time as a Tax Invoice is received.
- (b) **The Company is under the Special VAT (Value Added Tax) Regularization Regime** in the terms of the Decree 78/2017 of 28 December, which requires the Company to pay the net value of invoices received from its suppliers of goods and services (i.e., payment of invoices without paying corresponding VAT) and to issue VAT Regularization Notes in favour of its suppliers.



Thus, any invoice issued by the Contractor (for goods and services not covered by Article 20 of the VAT Code) will be paid net of VAT (i.e., VAT will not be paid) and, in return, the Company will deliver VAT Regularization Notes that will serve as the basis for non-payment of VAT.

Invoices must be presented in due time to allow the issuance of the respective VAT Regularization Note within the legal deadline and its subsequent regularization with the competent Tax Office. The invoices delivery by the suppliers must be in accordance with the “*Vendor Guidance: ICVL purchase to pay process*” and, therefore, non-compliance with “*Vendor Guidance: ICVL purchase to pay process*” will result in invoice rejection by the Company’s internal services.

### 11.7 Responsibility

The Contractor shall seek its own tax advice and will at all times comply with applicable Tax Laws of the relevant jurisdiction where Tax and Indirect Transaction Taxes are imposed, claimed, levied or assessed.

## 12. TERMINATION AND DEFAULT

### 12.1 Contractor default

(a) If the Contractor is in default of this Contract:

- (i) the Company Representative or the Company may send the Contractor a Default Notice stating the intention of the Company to terminate the whole or any part of Contract under this Sub- clause 12.1 if the Contractor fails to remedy a default; or
- (ii) if, in the Company's or the Company Representative's reasonable opinion, the default is not capable of remedy, the Company may, forthwith terminate the Contract on giving notice (Termination Notice) to the Contractor.

(b) If the Contractor fails to:

- (i) remedy the default in a manner satisfactory to the Company within 10 (ten) Working Days of the Company sending the Contractor a Default Notice, unless other time period is agreed in writing by the Parties; or
- (ii) provide adequate assurance (in the opinion of the Company or the Company Representative) within 10 (ten) Working Days of the Default Notice that the



default will be remedied within a reasonable time, which reasonable time shall be acceptable to the Company; or

(iii) remedy the default within a reasonable time after providing such assurances,

then the Company may, on giving notice to the Contractor:

- a. forthwith terminate (Termination Notice) the whole or any part of the Contract; or
- b. take such action as the Company deems necessary to cure the default, including engaging a third party to carry out or complete the performance of the Contract (the cost of such action so taken by the Company being recoverable from the Contractor as a debt due to the Company by the Contractor); or
- c. suspend payment under the Contract until the default has been remedied.

## 12.2 Insolvency

- (a) If an Insolvency Event occurs, the Company may terminate the Contract immediately on notice in writing to the Contractor or to any other Person in whom the rights and obligations under this Contract may have become vested.
- (b) The Contractor shall give immediate notice in writing to the Company of an Insolvency Event if one occurs.

## 12.3 Termination for convenience

In addition to any other rights the Company has under this Contract, the Company may at any time, in its discretion, terminate the Contract in whole or in part by giving the Contractor not less than 90 (ninety) calendar days' notice (Termination Notice).

## 12.4 Company default

- (a) If the Company fails without due cause to make a payment which is due to the Contractor under the Contract, and in respect of which:
  - (i) the Contractor has submitted a Correct Invoice;
  - (ii) all authorizations, consents and registrations that may be required from or with any Government Agency for the purposes of payment have been obtained;



- (iii) the Company is not entitled, whether under the Contract or otherwise, to suspend, withhold or set off; and
  - (iv) there is no Dispute as to the Company's liability to pay, the Contractor may give a Default Notice to the Company stating the intention of the Contractor to terminate the Contract under this Sub-clause 12.4 if the Company fails to make payment within 30 (thirty) Working Days.
- (b) If the Company fails to make the payments referred to within 30 (thirty) Working Days of the Default Notice without just cause, the Contractor may by giving not less than 90 (ninety) Working Days` notice to the Company:
- (i) terminate the Contract (Termination Notice); or
  - (ii) suspend performance of the Contract notwithstanding any provisions to the contrary contained in the Contract.

#### **12.5 Effect of termination**

- (a) In the event of either Party giving a notice of termination (Termination Notice) in accordance with this Clause 12, the Contract shall terminate on the date above mentioned or otherwise as mentioned in the notice.
- (b) No action taken or document issued by the Company under Clause 12 will limit the rights, remedies, powers, authorities and discretions and accrued Liabilities and obligations of the Parties (all of which shall continue in full force and effect as if there had been no such termination).
- (c) Clauses 1, 5, 8, 9, 11, 12, 13, 14, 15, 19, 20, 21, 22, 23, 24 and 25 and any other provision intended to survive termination of the Contract or required to give effect to termination will survive termination of the Contract.

### **13. DISPUTE RESOLUTION**

- 13.1 If at any time there is any Dispute, then the Company Representative and the Contractor Representative shall, as a condition precedent to the commencement of any proceedings in respect of the Dispute, forthwith confer in and endeavor to settle such Dispute.
- 13.2 Notwithstanding the existence of any Dispute, the Parties will continue to perform all of their obligations under the Contract without prejudice to their position in respect of any Dispute.



### 13.3 Representatives to seek resolution

- (a) If the Company Representative and the Contractor Representative are unable to resolve the Dispute within 30 (thirty) Working Days of first meeting, either Party may give to the other Party a notice (Dispute Notice) specifying the Dispute and requiring its resolution under this Clause 13.
- (b) Within 10 (ten) Working Days following the receipt of the Dispute Notice the Dispute shall be referred to a senior executive officer of each Party for resolution.
- (c) Should the a senior executive officer of each Party fail to reach an agreement in any or all matters in Dispute, before commencement of any arbitration proceeding, the Dispute shall be referred to conciliation according to the conciliation rules of UNCITRAL. Conciliation must take place irrespective of the willingness of the parties to go through conciliation proceedings. The number of Conciliator shall be one (1) appointed by both Parties, the language of the Conciliation proceedings shall be English, and the place of Conciliation proceedings shall be Maputo, Mozambique. Any dispute which still exists after termination of the conciliation proceedings shall be decided by arbitration.

### 13.4 Arbitration

- (a) If the Company and the Contractor are unable to resolve the Dispute within 20 (twenty) Working Days after the senior executive officers first conferring, or within such other period as the Parties may agree in writing, such Dispute shall be finally settled by arbitration in accordance with the following Sub-clauses.
- (b) Where the value of the arbitration claim is less than two million United States Dollars **(USD 2,000,000)**, the Dispute shall be submitted to arbitration under the UNCITRAL Arbitration Rules by a sole neutral arbitrator appointed in accordance with the procedure established in the UNCITRAL Arbitration Rules. If the Parties are unable to agree on the appointment of a sole arbitrator within 30 (thirty) Days of the appointment proposal made in accordance with this procedure, the appointing entity shall be the International Chamber of Commerce (ICC) in accordance with the ICC Rules as the Appointing Authority in CDUDMI and other *Ad Hoc* Arbitrations. The seat of the arbitration shall be Maputo, or as otherwise determined by agreement between the Parties. The language for the arbitration shall be English.
- (c) Where the value of the arbitration claim is greater than two million United States Dollars **(USD 2,000,000)**, the Dispute shall be submitted to arbitration under the ICC Arbitration Rules (save that no requirements of the ICC Arbitration Rules as to the nationality of the arbitrator shall apply) by three arbitrators, one appointed by each Party and the chairman chosen by the two Party appointed arbitrators. The seat of the arbitration shall be New Delhi, India but the arbitral tribunal shall

have discretion to hold hearings in any location it sees fit, or as otherwise determined by agreement between the Parties. The language for the arbitration shall be English.

(d) The value of the arbitration claim, for the purposes of determining the jurisdiction of the arbitral tribunal to settle the Dispute, is the monetary amount, value or damage which is sought to be recovered by the claimant in the arbitration, or which is otherwise the subject matter of the Dispute. Any interest included in the claim shall be disregarded in the calculation. The value of the arbitration claim shall be determined by the arbitral tribunal:

(i) In the case of arbitration under the UNCITRAL Arbitration Rules, as soon as the arbitral tribunal has been constituted or upon communication of the statement of claim to each of the arbitrators, if this is later; and

(ii) In the case of arbitration under the ICC Arbitration Rules, as soon as the Request for arbitration (as defined in the ICC Arbitration Rules) has been transmitted to the arbitral tribunal.

(e) If any Party enters a plea concerning the jurisdiction of the arbitral tribunal on the basis of the value of the claim, the arbitral tribunal must rule on such a plea as a preliminary question.

13.5 The arbitration decision shall be binding and final, and shall be enforceable in any judicial court having jurisdiction.

#### 14. **ACCOUNTS AND RECORDS**

14.1 The Contractor shall keep for a period of not less than 24 (twenty-four) months after end of the Term, a complete set of accounts and records in accordance with good and accepted accounting principles showing all its expenditure under the Contract and all supporting information on an open book basis.

14.2 The Company may, at its discretion, request the Contractor to provide evidence, in a form satisfactory to the Company, that any Indirect Transaction Taxes paid by the Company to the Contractor have been paid or properly accounted for to the relevant Government Agency in due time. Any payments to the Contractor may be withheld, and the time for payment referred to in Clause 10.4 shall be suspended, until the Contractor provides such evidence.

14.3 At any time until 24 (twenty-four) months after the end of the Term, the Company or its nominees shall have the right to inspect and verify the accounts and records referred to in Sub-clauses 14.1 and 14.2, and the Contractor shall give the Company proper opportunity so to inspect and verify together with proper facilities for such inspection and verification.





## 15. NOTICES

- 15.1 All Communications shall be made in writing in English, except as otherwise required by Law.
- 15.2 In those cases where, by Law, any written communication by the Parties must be in Portuguese, the Portuguese version shall be accompanied by an English version, which the Parties acknowledge and accept to be bound to for purposes of sub-clause 15.1.
- 15.3 The Communications must be:
- (a) facsimiled;
  - (b) attached to an email;
  - (c) delivered express (either locally or internationally) by an international courier; in each case, to the number or address (physical address or e-mail address) specified in the Form of Agreement; or
  - (d) delivered by hand to the other Party's Representative.
- 15.4 The Communications shall be deemed to have been received:
- (a) if delivered express (either locally or internationally) by an international courier, when delivered to the Party to whom the Communication is addressed;
  - (b) if delivered personally, sent by facsimile or electronically as an email attachment:
    - (i) if it is transmitted or hand delivered by 4.30 pm (at the place of receipt) on a Working Day – on that day; or
    - (ii) otherwise, on the following Working Day.

## 16. CONFLICTS OF INTEREST

### 16.1 Warranty

The Contractor warrants that as at the date of the Contract it has not carried on business, entered into any financial arrangements or undertaken any obligation which would in any way interfere or conflict with the performance of the Contract by the Contractor and its Personnel under the Contract.

### 16.2 Conflicts of interest

The Contractor must ensure that neither it nor any of its Personnel carry-on business, enter into any financial arrangements or undertake any obligation which would in any way interfere or conflict with the performance of the Contract by the Contractor and its Personnel under the Contract, without the prior written consent of the Company.



### 16.3 Indemnity

Without limiting Clause 19 the Contractor indemnifies the Company and must keep the Company indemnified in respect of any Liabilities incurred or sustained by the Company as a result of any breach by the Contractor of the warranties contained in Clause 16.1 or the undertakings contained in Clause 16.2.

## 17. BUSINESS INTEGRITY

### 17.1 Establishment of Procedures

The Contractor must establish and maintain procedures, policies and precautions to prevent its Personnel from making, receiving, providing or offering gifts, entertainment, payments, loans or other consideration to Personnel of the Company or the ICVL Group for the purpose of influencing such Personnel to act contrary to the best interests of the Company. This obligation will apply to the activities of Personnel in their relations with Company Personnel arising from the Contract.

### 17.2 Improper advantage or benefit to Official

- (a) The Contractor represents and warrants that it has not offered, paid, promised to pay, authorized the payment of or transferred money or anything of value to an Official to secure any improper advantage or benefit in relation to the matters contemplated by the Contract, either directly or indirectly through a third party.
- (b) The Contractor must not, directly or indirectly, in connection with the Contract, offer, pay promise to pay or authorize the giving of money or anything of value to an Official, or to any other person, while knowing or being aware of a high probability that all or a portion of such money or thing of value may be offered, given or promised, directly or indirectly to an Official, for the purpose of influencing the act, decision or omission of such Official to obtain or retain business related to the Contract, to direct business related to the Contract to any person, or to obtain any improper advantage or benefit.
- (c) The Contractor must not directly or indirectly, in connection with the Contract, offer or make unofficial payments or offer anything of value to any official to secure or expedite a routine action or service to which an individual or company is prohibited.
- (d) The Contractor represents that no Official or close relative of an Official has any direct or indirect ownership or other legal or beneficial interest in it or any of its Affiliated Entities, or in the contractual relationship established by the Contract,



and that no such Official serves as an officer, director, employee, or agent of the Contractor.

- (e) The representations, warranties and obligations under this Clause 17.2 will continue throughout the Term.

### **17.3 Notification regarding change of interests**

The Contractor agrees to promptly notify the Company in writing of any changes in the direct or indirect ownership in the Contractor or its Affiliated Entities that would make it or them an Official. The Contractor covenants that should the Company notify it of any concerns that there has been a breach of the provisions of Clauses 17.2 or this Clause 17.3, it must cooperate in good faith with the Company in determining whether such a breach has occurred. If the Company determines in its sole discretion that there has been such a breach or that the Contractor has taken any action that would create a material risk of liability for the Company under any applicable law, it may treat the breach as an event of default and exercise any rights it may have under the Contract upon the occurrence of an event of default, but without regard to any waiting periods or cure periods specified in the Contract.

### **17.4 Notification of failure to comply with Clause**

The Contractor agrees to notify the Company promptly upon discovery of any instance where the Contractor or any of its Personnel fail to comply with this Clause 17.

## **18. LIABILITY**

- 18.1 Subject to Sub-clause 18.2, the Contractor will be liable to the Company and any third parties, in accordance with the Law, for any losses or damages arising from the acts or omissions of the Contractor or its Personnel in the performance of this Contract.
- 18.2 No provision of this Contract shall, or shall be read as intending to, exclude liability of either Party for gross negligence, wilful misconduct, fraud or fraudulent misrepresentation.
- 18.3 Neither Party shall be liable to the other for any delay or failure (including any stoppage or reduction of its operations) in performing its obligations under the Contract to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that Party, and which by its nature could not have been foreseen by such Party or, if it could have been foreseen, was unavoidable, provided that the Party shall use all reasonable endeavors to mitigate the effect of the Force Majeure event or circumstance on the performance of its obligations and resume performance under the Contract.



- (a) Promptly, or upon becoming aware of the Force Majeure event or circumstance (being such Force Majeure event or circumstance limited to: act of war, declared or undeclared; sabotage; invasion; armed conflict; act of foreign enemy; embargo; revolution; insurrection; act of terrorism; industrial action; lightening; earthquake; floods; storm; fire; cyclone; typhoon; tornado; chemical or radioactive contamination; epidemic; pandemic or plague), or as soon as reasonably practicable after the start of the Force Majeure event or circumstance but no later than 48 (forty eight hours) hours from its start, the Party must notify the other Party, in writing, of the Force Majeure event or circumstance, its nature, the date and time on which it started, its cause and its likely or potential duration, and the effect of the Force Majeure event or circumstance on its ability to perform any of its obligations under the Contract and, when appropriate or when reasonably requested to do so by the other Party, update such information.
- (b) If any Force Majeure event or circumstance prevent the Contractor from carrying out its obligations under the Contract for a continuous period of more than 5 (five) days, the Company may terminate this Contract immediately by giving written notice to the Contractor.
- (c) The Contractor shall not in any event be entitled to compensation for demobilization, stand down or other time or any other losses whatsoever.

## 19. INDEMNITY

19.1 The Contractor shall indemnify, hold harmless, defend and keep indemnified the Company and its Personnel against all Liabilities caused, whether wholly or in part, directly or indirectly by:

- (a) any breach by the Contractor or its Personnel of any of the Contractor's obligations (including any warranty) under the Contract;
- (b) any non-compliance with any Law, or any penalty imposed for breach of any Law in connection with the performance or non-performance of the Contract caused by any act or omission of the Contractor or its Personnel;
- (c) any act or omission by the Contractor or its Personnel arising out of the performance of the Contract;
- (d) any illness, injury or death of any person, or any loss or destruction of or damage to any property which is caused by the Contractor or its Personnel, in connection with the Contractor's performance or non- performance or breach of the Contract, or any other act or omission of the Contractor or its Personnel;



- (e) any actual or alleged contamination, pollution or public or private nuisance arising directly or indirectly out of the acts or omissions of the Contractor or its Personnel; or
- (f) any legal costs on attorney and client scale for legal action to enforce the Contractor's indemnification obligations under this Clause.

19.2 Each indemnity in the Contract is a continuing obligation separate and independent from the Contractor's other obligations.

## 20. **GOVERNING LAW AND LANGUAGE**

20.1 The Contract is governed by the Laws of the Republic of Mozambique.

20.2 This Contract is drafted in English and Portuguese.

## 21. **THIRD PARTY RIGHTS**

21.1 No provision of the Contract is intended to confer a benefit on, or be enforceable by, any person who is not a party to the Contract.

## 22. **WAIVER**

The waiver partly or wholly of the terms of the Contract shall:

- (a) be valid only if in writing and signed by the Company;
- (b) apply to a particular occasion only;
- (c) not be continuing unless expressed to be so; and
- (d) not constitute a waiver partly or wholly of any other condition or term.

## 23. **ENTIRE AGREEMENT**

The Contract, as amended from time to time in accordance with its provisions, represents the entire agreement between the Parties and supersedes all prior understandings and representations.

## 24. **SEVERANCE**

Any provision of the Contract which is invalid or unenforceable in any jurisdiction shall be enforced to the maximum extent possible so as to give effect to the intent of the Parties, or, if incapable of such enforcement, shall be ineffective only as to that



jurisdiction and to the extent of the prohibition or unenforceability. This does not invalidate the remaining provisions of the Contract nor does it affect the validity or enforceability of that provision in any other jurisdiction.

**25. NUMBER OF ORIGINALS**

The Contract shall be executed in the number of originals stipulated in the Form of Agreement.

**B. SERVICES GENERAL CONDITIONS**

**26. CONTRACTOR STATUS**

26.1 This Contract does not create a relationship of agency between the Parties, and the Contractor shall have no authority to represent the Company or act in its name.

**27. SERVICES**

27.1 The Contractor must perform the Services, as well as any additional services which may be agreed between the Parties, with the highest standard of care, skill and diligence that would normally be expected of a reputable and competent Person carrying out services similar to the Services in order to fulfill the Contract Objectives.

27.2 The Contractor undertakes that the Services and each element of the Services:

- (a) will be fit for the purpose for which the Services are required, which shall include (without limitation) that the Services and the deliverables rendered by the Contractor can lawfully be used to fulfill the objectives of the Project;
- (b) will comply with the Contract;
- (c) will comply with applicable Standards; and
- (d) will comply with all applicable Laws.

27.3 The Contractor shall complete the Services within the agreed timeframes and by the Completion Date.

27.4 The Contractor shall attend meetings with the Company and the Company's Personnel and nominated consultants, whenever necessary and when requested by the Company.



## 28. **CONTRACTOR'S PERSONNEL**

- 28.1 The Contractor must not remove from performance of the Services any Personnel in the list in Schedule E ("**Key Personnel**") without the prior written approval of the Company Representative.
- 28.2 If the Company so determines, Key Personnel and any new Personnel replacing Key Personnel will be required to enter into confidentiality agreements on terms required by the Company.
- 28.3 The Company Representative may direct the Contractor to remove a member of the Contractor's Personnel from the performance of the Contract if in the opinion of the Company Representative, that Personnel is lacking in appropriate skills or qualifications, engages in inappropriate conduct or is incompetent or negligent. The Contractor must comply with such direction immediately and must promptly replace such Personnel at no extra cost to the Company. The Contractor must not re-assign the removed Personnel to the performance of the Contract at any time thereafter.
- 28.4 The Contractor is responsible for obtaining and maintain valid visas and/or work permits, as and if applicable, for all its expatriate Personnel, before commencement of any Services, and for any penalties, fines, charges or other levies or costs that may arise in case such visas and/or work permits are not obtained or maintained.

## 29. **SUSPENSION OF SERVICES**

### 29.1 **Company's Suspension**

The Company may:

- (a) at any time, in its absolute discretion and for its convenience; or
- (b) if the Company, acting reasonably, forms the opinion that it is necessary:
  - (i) because of an act, default or omission of:
    - A. the Company or its Personnel; or
    - B. the Contractor, a Sub-contractor or their Personnel;
  - (ii) to comply with an order of a Court or competent Government Agency;
  - (iii) for the protection or safety or any person or property; or
  - (iv) because suspension of work under a contract upon which the Services depend prevents the carrying out of the Services,



direct the Contractor to suspend the carrying out of the whole or part of the Services for such time as the Company sees fit.

## 29.2 Contractor's Suspension

If the Contractor wishes to suspend the carrying out of the whole or part of the Services, otherwise than pursuant to Sub-clause 12.4(b)(ii), the Contractor shall obtain the Company's prior written approval. The Company may approve the suspension and may impose conditions of approval in its absolute discretion.

## 29.3 Effects of Suspension

The Contractor shall do all things possible to reduce any expense or cost consequent upon the suspension. The suspension shall not vitiate the Contract.

## 29.4 Prolonged Suspension

- (a) If suspension of the whole or a substantial part of the Services under Sub-clause 29.1 continues for more than 180 consecutive Days, then the Company shall either:
  - (i) by notice to the Contractor terminate the Contract with effect from a specified date (no greater than 7 Days after the date of the notice); or
  - (ii) direct the Contractor to recommence the suspended Services as soon as reasonably practicable.
- (b) Subject to paragraph (c) below, if the Company gives a notice under Sub-clause 29.4(a)(i) above, then such notice shall be treated as if it were a termination notice under Sub-clause 12.3 and the Contract were terminated under that clause.
- (c) If the direction to suspend is issued under Sub-clause 29.1(b)(i) a notice under Sub-clause 29.4(a)(i) shall be treated as if it were a termination notice under Sub-clause 12.1(a)(i) and the Contract were terminated under Sub-clause 12.1.

## 29.5 Claim

The Contractor will not be entitled to any claim, and will not be entitled to standby rates, in connection with the suspension when the Services are suspended:

- (i) pursuant to Sub-clauses 29.1 (b) (i) B, 29.1 (b) (ii) or 29.2, or
- (ii) pursuant to Sub-clauses 29.1 (b) (iii) or 29.1 (b) (iv), where the Contractor or its Personnel made the protection, safety or suspension of work necessary.





### 30. CONSEQUENCES OF TERMINATION

30.1 In the event of either Party giving a termination notice in accordance with Clause 12, the Contractor must:

- (a) immediately cease performance of the terminated Services subject to any Directions made by the Company Representative or Company;
- (b) comply in all respects with any Directions contained in the termination notice or given by the Company or Company Representative;
- (c) immediately take all possible action to mitigate any Liabilities incurred by it as a result of such termination;
- (d) within 5 Working Days after the termination notice, provide the Company with a detailed report in such form as the Company may require in relation to the Services performed up to and including the date of the termination notice;
- (e) return to the Company any items issued to the Contractor by the Company during the Term as soon as reasonably practicable; and
- (f) provide the Company with any Documentation and Drawings (whether complete or incomplete) prepared by or on behalf of the Contractor.

30.2 Clauses 30 and 32 shall survive termination of this Contract.

30.3 If the Contract is terminated under Sub-clause 12.1 or 12.2:

- (a) the Company Representative shall certify its reasonable estimate or the actual amount of:
  - (i) all payments made to the Contractor;
  - (ii) all losses and additional costs arising in connection with all prior breaches by the Contractor or with the termination; and
  - (iii) all costs, charges and expenses of any nature, incurred by the Company in carrying out and completing the balance of the Services or such part thereof taken out of the Contractor's hands or arising from the termination and any associated delay;  
  
less
  - (iv) the Contract Price.

(b) If the amount certified under Sub-clause 30.3(a) is positive, it will be a debt due by the Contractor to the Company which may be deducted from any amounts due or becoming due to the Contractor and/or by judgment in any court of competent jurisdiction.

30.4 If the Contract is terminated under Sub-clause 12.3 or 12.4 the Contractor is entitled to recover from the Company (less any amounts previously paid and subject to any rights which the Company may have to suspend, withhold, or set off payments):

(a) the Contract Price of all parts of the Services performed in accordance with the Contract at the date of termination and not included in a previous invoice; and

provided the Contractor has taken all reasonable steps to mitigate these amounts.

30.5 The Contractor will not be entitled to recover any loss of profits arising as a result of termination.

### 31. LOCAL SUPPLIERS

31.1 The Contractor shall, in the performance of the Contract (in respect of parts of the Contract performed on Site):

(a) use suppliers and manufacturers available locally or if not available locally then otherwise available within the Country, except in those cases where the Contractor can demonstrate that such suppliers or manufacturers do not offer competitive prices or internationally comparable quantities, qualities and delivery schedules; and

(b) when hiring Personnel, give preference to Mozambique citizens from the local or neighboring communities or, if not available locally then otherwise from within the Country, except in those cases where the Contractor can demonstrate that the necessary skills and expertise are not locally available or are available in insufficient quantity.

31.2 For the avoidance of doubt, the obligations in sub-clause 31.1 include, without limitation:

(a) giving local Personnel, suppliers and manufacturers a fair and reasonable opportunity to tender or quote;  
and

(b) giving preference to Personnel, suppliers and manufacturers in the following order:

- (i) those available locally;
- (ii) those available within the neighboring communities;
- (iii) those available within the Country;
- (iv) those tenders, arrangements or proposals that include local or Country based participation;
- (v) all others.

31.3 Except as otherwise agreed in writing by the Company Representative, the Contractor shall include in any Subcontract the same obligations as are referred to in Sub-clauses 31.1 and 31.2, and shall report to the Company Representative concerning such third party's implementation of that condition.

31.4 The Contractor shall, within 1 month of the Commencement Date and at monthly intervals thereafter or such other times as nominated by the Company Representative, submit to the Company Representative in the form required by the Company Representative a report concerning the Contractor's implementation of its obligations under this Clause 31.4.

## 32. INSURANCE

### 32.1 Contractor's Insurance Policies

The Contractor shall, at its expense, effect and maintain:

- (a) throughout the Term, and for a further 3 years thereafter, indemnity insurance to a minimum value of ten million Meticaís (MZN 10,000,000.00) for each and every claim in respect of liability arising by reason of any act, error or omission of the Contractor or the Contractor's Personnel in the performance of the Services; and
- (b) throughout the Term, if the performance of the Contract requires the Contractor to use plant and equipment, insurance covering all loss of and damage to the plant and equipment for its replacement value (or require the owner of the plant and equipment to maintain such insurance); and
- (c) throughout the Term, workers' compensation and employers' liability insurances covering all Liabilities, whether arising under Law or customary law, in relation to the death of, or injury to, any employee of the Contractor or any person deemed to be an employee of the Contractor; and
- (d) throughout the Term, insurance to a minimum value of ten million Meticaís (MZN 10,000,000.00) for each and every claim, covering all Liabilities in respect of any injury to, or death of, any person not being a person who at the time of the occurrence is engaged in or upon the service of the insured under a contract



of service or apprenticeship, or any loss, damage or destruction to property not belonging to nor in the care, custody or control of the insured; and

- (e) throughout the Term, if the performance of the Contract involves the use of vehicles, third party liability insurance covering all Liabilities in respect of any injury to, or death of, any person or any loss, damage or destruction to any property arising from the use of motor vehicles.

### 32.2 Policy requirements

- (a) All of the Contractor's Insurance Policies must, unless prohibited by Law, be endorsed to:
  - (i) insure the Company and its Personnel for their respective rights and interests;
  - (ii) include a cross liability clause, noting that each of the parties comprising the insured shall be considered as a separate entity, and the insurance applies as if a separate policy has been issued to each party;
  - (iii) waive all express or implied rights of subrogation against the Company and its Personnel; and
  - (iv) include a clause that provides that a breach of condition or term of insurance by one insured will not adversely affect the cover provided to another insured under the policy,

save that (i) and (ii) above shall not apply in respect of any policy for professional indemnity insurance or workers' compensation/employer's liability insurance policies.

- (b) If the Contractor's Insurance Policies are subject to the application of any self-insured retention, excess or deductible, the amount of the self-insured retention, excess or deductible must be declared to the Company and, in the event of a loss, is payable by the Contractor. The Company reserves the right to require the Contractor to reduce the amount of any self-insured retention, excess or deductible where such amount is considered by the Company to be unreasonable in the circumstances of the Contract.
- (c) The Contractor's Insurance Policies must be taken out with a reputable insurer approved by the Company, and on terms and conditions consistent with prudent risk management practice.
- (d) No provision contained in this Clause 32 will limit the Contractor's liability including its liability to indemnify the Company in accordance with the Contract.



- (e) Before the Commencement Date and each time the policies are renewed or varied, the Contractor must provide the Company with an insurance certificate of currency or such other evidence as the Company may require that the Contractor and its Sub-contractors are insured in accordance with the Contract.
- (f) In the event that the Contractor fails to comply with its obligations under Clause 32 the Company may, at its sole option and without being under any duty or obligation to do so, effect and maintain such insurances and deduct the costs of such insurances from any moneys due to the Contractor.
- (g) The Contractor must ensure that the Contractor's Insurances are not varied to the detriment of the Company, cancelled or allowed to lapse.
- (h) The Contractor will ensure that its Sub-contractors have the benefit of or effect and maintain insurances equivalent to the insurances required to be effected and maintained by the Contractor under this Contract.

## **C. SITE PROVISIONS**

### **33. SITE**

- 33.1 The Contractor shall comply with all Site rules notified to the Contractor by the Company Representative, including without limitation those governing the conduct of the Contractor's Personnel at and about the Site. The Company reserves the right from time to time to make and revise any such rules and the Contractor will comply fully with such rules, as revised.
- 33.2 Unless otherwise expressly specified in the Contract, the Contractor is responsible for the cost of transporting its Personnel to and from the Site and will provide for the movement of its Personnel on the Site at all times.
- 33.3 In the event of any breach of Sub-clause 33.1, the Company may:
  - (a) require the Contractor, the Contractor's Personnel, and/or any other Person to leave the Site immediately;
  - and
  - (b) require the Contractor and/or any of its Personnel to remove any material or substance from the Site at the Contractor's cost, and the Contractor must ensure such request is immediately complied with and take all possible action to ensure the safety of all Personnel.



**34. OTHERS ON SITE**

- 34.1 The Contractor must co-operate with the Company and must not prevent the Company and any other contractors and suppliers (whether employed or engaged by the Company or not) from properly carrying out their work, and shall give them any information or data reasonably necessary or expedient to ensure proper performance of their respective work.
- 34.2 The Contractor is not entitled to any extension of any Completion Dates, increase in the Contract Price, damages, costs or any other financial or other compensation as a result of any interference from other contractors and suppliers (whether employed or engaged by the Company or not).

**35. HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY**

- 35.1 The Contractor is responsible for the health and safety of its Personnel.
- 35.2 The Contractor must comply, and ensure all Contractor Personnel on Site comply with the HSEC Requirements and all directions given by the Company Representative.

**D. GOODS**

**36. GOODS/EQUIPMENTS**

- 36.1 The Contractor warrants all Goods/Equipment used by it are against any defect, and warrants that all Goods shall be fit for the purposes for which they are intended, for a period up to the end of the Term or such other periods specified in the Contract.

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(Signature, Name, Designation and Seal)

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(Signature, Name, Designation and Seal)