

61 Katherine Street, Dennehof, Sandton, 2196
5th Floor, 61 Katherine Street, Dennehof, Sandton, Gauteng, South Africa 2196
Web: www.nbi.org.za
Tel. 011 544 6000
Registration number. 1995/003141/08
National Business Initiative for Growth Development and Democracy NPC
Vat Number. 4070158433



STANDARD TERM SHEET

Contract Number: _____

PROCUREMENT AGREEMENT BETWEEN THE NATIONAL BUSINESS INITIATIVE AND THE SERVICE PROVIDER (“the Service Provider”) (as defined below)

1. General Information

Service Provider's Name	
Trade Name	
Physical address	
Postal address	
Telephone number	
Facsimile number	
Cellular number	
Email address	
Contact name	
Bank details	

2. Title of Service:

KfW disposition fund audit services

3. Scope of Work:

- As per Terms of Reference (“ToR”): Assurance Engagement for Funds Disbursed under the Disposition Fund Procedure in accordance with the International Standard on Assurance Engagements **ISAE 3000 (Revised)** as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants.

Directors:

C Coovadia (Chairman), S Soobramoney (Chief Executive Officer), A Sakhau, B Burnett, B Khumalo, C Mokoena, E Mansingh, F Mthembu, J Rohm, M Rambharos, P Modise, S Naidoo, T Unser, Z Mariani.
F Koor (ex-officio) Company Secretary: G Hutchings

4. Purpose of Service:

To verify all disposition accounts which have been opened by NBI and to obtain reasonable assurance on expenditure of project funds / incurred project costs, i.e. whether all disposition accounts are free from material misstatement regarding proper use of KfW funds according to the criteria ("Criteria") listed in Annexure A of the ToR.

5. Service Process and Important Notes:

- The ToR shall be the basis for procedures to be performed under this contract.
- This contract applies to only Phase I audit services as stated in paragraph 9 below.
- This contract may be extended to cover Phase II when the FC Grant Agreement for program phase II is signed.

6. Total Fee for Service (excl VAT):

The total fee for audit services is R... (excl. VAT) and VAT in the amount of R ... (at the current VAT rate applicable for South Africa) for phase I of the project (financial Proposal B from Q3 2023 to end of 2028) .

Payment shall be made in equal annual amounts over the duration of the contract, as follows:

- 10% advance payment at commencement of the audit, against presentation of an invoice in the amount of R excl. VAT.
- Remainder on submission of final signed audit report and final invoice with equal instalments in the amount of R excl. VAT.

The contract includes the option for extension in the amount of R (excl. VAT) and VAT in the amount of R .. (at the current VAT rate applicable for South Africa) for phase II of the project (amounts of the financial proposals A minus B - until end of 2029). The option will be activated in writing between NBI and the Service Provider. The letter on the activation of the project extension will state the amended amount of the instalments.

7. Payment Terms:

- a. Payment will be made as per the agreed payment schedule against deliverables and within 30 days from date of invoice.
- b. All invoices shall be addressed to NBI and shall clearly indicate the professional fees and VAT separately.

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- c. Payment shall be made to the service provider by direct deposit into the bank account nominated by the service provider. It is the service provider's responsibility to timeously update the NBI of any changes to its banking details. Should the service provider fail to do so, the NBI cannot be held liable for any losses suffered by the service provider arising out of the late payment.
- d. The service provider shall make all reimbursements, insurance payments, guarantee payments or similar payments to the following account:
- i. Account Name: NBI-National Business Initiative for Growth Development and Democracy NPC
 - ii. Account Type: Enterprise Business Account
 - iii. Account Number: 63047611206
 - iv. Branch Code: 210835
 - v. Swift Code: FIRNZAJJ

8. Terms and Conditions:

This Procurement Agreement is at all times subject to the Standard Terms and Conditions of Procurement.

The rates (instalment) shall already include the anticipated inflation rate and will be fixed for the contract period.

The invoices shall state the VAT portion separately.

9. Details of Services and Payment Schedule

Signed audit report (as per ToR) for each of the following audit periods must be submitted by the stated delivery dates stated in the table below:

Service Deliverable	Deadline	Instalment (10% advanced)
01 Nov 2023-31 Dec 2024	30 September 2025	R
01 Jan 2025-31 Dec 2025	31 March 2026	R
01 Jan 2026-31 Dec 2026	31 March 2027	R
01 Jan 2027-31 Dec 2027	31 March 2028	R

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Service Deliverable	Deadline	Instalment (10% advanced)
01 Jan 2028-31 Dec 2028	31 March 2029	R
Total (excluding VAT)		R

Commencement date:	01 August 2025
Termination date:	31 March 2029

10. Authorisation

<p>National Business Initiative for Growth Development and Democracy</p> <p>Signed by: _____</p> <p>Unit Director name: _____</p> <p>Signed by: _____ Shameela Soobramoney, who warrants his/ her authority to sign as Chief Executive Officer</p> <p>Date: _____</p>	<p>The Service Provider:</p> <p>_____</p> <p>Signed by: _____ who warrants his/ her authority to sign</p> <p>Title: _____</p> <p>Date: _____</p>
<p>_____</p> <p>Witness</p>	<p>_____</p> <p>Witness</p>
<p>_____</p> <p>Witness</p>	<p>_____</p> <p>Witness</p>

Declaration of Undertaking

Directors:

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Reference name of the Application/Offer/Contract: ("Contract")¹

To: ("Project Executing Agency")

1. We recognise and accept that KfW only finances projects of the Project Executing Agency ("PEA")² subject to its own conditions which are set out in the Funding Agreement it has entered into with the PEA. As a matter of consequence, no legal relationship exists between KfW and our company, our Joint Venture or our Subcontractors under the Contract. The PEA retains exclusive responsibility for the preparation and implementation of the Tender Process and the performance of the Contract.
2. We hereby certify that neither we nor any of our board members or legal representatives nor any other member of our Joint Venture including Subcontractors under the Contract are in any of the following situations:
 - 2.1 being bankrupt, wound up or ceasing our activities, having our activities administered by courts, having entered into receivership, reorganisation or being in any analogous situation;
 - 2.2 convicted by a final judgement or a final administrative decision or subject to financial sanctions by the United Nations, the European Union or Germany for involvement in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings; this criterion of exclusion is also applicable to legal Persons, whose majority of shares are held or factually controlled by natural or legal Persons which themselves are subject to such convictions or sanctions;
 - 2.3 having been convicted by a final court decision or a final administrative decision by a court, the European Union, national authorities in the Partner Country or in Germany for Sanctionable Practice in connection with a Tender Process or the performance of a Contract or for an irregularity affecting the EU's financial interests (*in the event of such a conviction, the Applicant or Bidder shall attach to this Declaration of Undertaking supporting information showing that this conviction is not relevant in the context of this Contract and that adequate compliance measures have been taken in reaction*);
 - 2.4 having been subject, within the past five years to a contract termination fully settled against us for significant or persistent failure to comply with our contractual obligations during such Contract performance, unless this termination was challenged and dispute resolution is still pending or has not confirmed a full settlement against us;
 - 2.5 not having fulfilled the applicable fiscal obligations with regard to the payment of taxes at the respective tax residence and in the country of origin of the PEA (contractors based in Annex 1 countries (<https://www.consilium.europa.eu/de/policies/eu-list-of-non-cooperative-jurisdictions/>) must submit a fully completed and legally countersigned declaration of tax conformity (Appendix 1 to the Declaration of Undertaking) in addition to the Declaration of Undertaking at the time of award of the contract/contract review. This shall become an integral part of the contract. Failure to submit may result in exclusion from the awarding procedure. For contractors based in countries not listed as Annex I countries, only the Declaration of Undertaking must be submitted, and not the declaration of tax conformity);

¹ Capitalised terms used, but not otherwise defined in this Declaration of Undertaking have the meaning given to such term in KfW's "Guidelines for the Procurement of Consulting Services, Works, Goods, Plant and Non-Consulting Services in Financial Cooperation with Partner Countries".

² The PEA means the purchaser, the employer, the client, as the case may be, for the procurement of Consulting Services, Works, Plant, Goods or Non-Consulting Services.

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- 2.6 being subject to an exclusion decision of the World Bank or any other multilateral development bank and being listed on the website <http://www.worldbank.org/debarr> or respectively on the relevant list of any other multilateral development bank (*in the event of such exclusion, the Applicant or Bidder shall attach to this Declaration of Undertaking supporting information showing that this exclusion is not relevant in the context of this Contract and that adequate compliance measures have been taken in reaction*); or
- 2.7 being guilty of misrepresentation in supplying the information required as condition to participation in this Tender Procedure.
3. We hereby certify that neither we, nor any of the members of our Joint Venture or any of our Subcontractors under the Contract are in any of the following situations of conflict of interest:
- 3.1 being an affiliate controlled by the PEA or a shareholder controlling the PEA, unless the stemming conflict of interest has been brought to the attention of KfW and resolved to its satisfaction;
- 3.2 having a business or family relationship with a PEA's staff involved in the Tender Process or the supervision of the resulting Contract, unless the stemming conflict of interest has been brought to the attention of KfW and resolved to its satisfaction;
- 3.3 being controlled by or controlling another Applicant or Bidder, or being under common control with another Applicant or Bidder, or receiving from or granting subsidies directly or indirectly to another Applicant or Bidder, having the same legal representative as another Applicant or Bidder, maintaining direct or indirect contacts with another Applicant or Bidder which allows us to have or give access to information contained in the respective Applications or Offers, influencing them or influencing decisions of the PEA;
- 3.4 being engaged in a Consulting Services activity, which, by its nature, may be in conflict with the assignments that we would carry out for the PEA;
- 3.5 in the case of procurement of Works, Plant or Goods:
- 3.5.1 having prepared or having been associated with a Person who prepared specifications, drawings, calculations and other documentation to be used in the Tender Process of this Contract;
- 3.5.2 having been recruited (or being proposed to be recruited) ourselves or any of our affiliates, to carry out works supervision or inspection for this Contract;
4. If we are a state-owned entity, and compete in a Tender Process, we certify that we have legal and financial autonomy and that we operate under commercial laws and regulations.
5. We undertake to bring to the attention of the PEA, which will inform KfW, any change in situation with regard to points 2 to 4 here above.
6. In the context of the Tender Process and performance of the corresponding Contract:
- 6.1 neither we nor any of the members of our Joint Venture nor any of our Subcontractors under the Contract have engaged or will engage in any Sanctionable Practice during the Tender Process and in the case of being awarded a Contract will engage in any Sanctionable Practice during the performance of the Contract;
- 6.2 neither we nor any of the members of our Joint Venture or any of our Subcontractors under the Contract shall acquire or supply any equipment nor operate in any sectors under an embargo of the United Nations, the European Union or Germany; and
- 6.3 we commit ourselves to complying with and ensuring that our Subcontractors and major suppliers under the Contract comply with international environmental and labour standards, consistent with laws and regulations applicable in the country of implementation of the Contract and the fundamental conventions

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of the International Labour Organisation³ (ILO) and international environmental treaties. Moreover, we shall implement environmental and social risks mitigation measures when specified in the relevant environmental and social management plans or other similar documents provided by the PEA and, in any case, implement measures to prevent sexual exploitation and abuse and gender based violence.

7. In the case of being awarded a Contract, we, as well as all members of our Joint Venture partners and Subcontractors under the Contract will, (i) upon request, provide information relating to the Tender Process and the performance of the Contract and (ii) permit the PEA and KfW or an auditor appointed by either of them, and in the case of financing by the European Union also to European institutions having competence under European Union law, to inspect the respective accounts, records and documents, to permit on the spot checks and to ensure access to sites and the respective project.
8. In the case of being awarded a Contract, we, as well as all our Joint Venture partners and Subcontractors under the Contract undertake to preserve above mentioned records and documents in accordance with applicable law, but in any case for at least six years from the date of fulfillment or termination of the Contract. Our financial transactions and financial statements shall be subject to auditing procedures in accordance with applicable law. Furthermore, we accept that our data (including personal data) generated in connection with the preparation and implementation of the Tender Process and the performance of the Contract are stored and processed according to the applicable law by the PEA and KfW.

Name:

In the capacity of:

Duly empowered to sign in the name and on behalf of⁴:

Signature:

Dated:

³ In case ILO conventions have not been fully ratified or implemented in the Employer's country the Applicant/Bidder/Contractor shall, to the satisfaction of the Employer and KfW, propose and implement appropriate measures in the spirit of the said ILO conventions with respect to a) workers grievances on working conditions and terms of employment, b) child labour, c) forced labour, d) worker's organisations and e) non-discrimination.

⁴ In the case of a JV, insert the name of the JV. The person who will sign the application, bid or proposal on behalf of the Applicant/Bidder shall attach a power of attorney from the Applicant/Bidder.

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