

SCHEDULE I STANDARD TERMS AND CONDITIONS FOR SERVICES CONTRACTS**1. DEFINITIONS**

1.1 In the Agreement, the following words and expressions shall, unless the context otherwise requires, have the following meanings:

"Affiliate" shall mean with respect to any person, any other person that, directly or indirectly, controls, is controlled by or is under common control of such specified person. For the purposes of this definition, "control" means the direct or indirect beneficial ownership of more than fifty percent (50%) of the issued share capital, stock or other participating interest or the legal power to direct or cause the direction of the general management of the company, partnership or other person in question, and "controlled" shall be construed accordingly; **"Agreement"** shall mean the Agreement between the Company and the Service Provider to which this Schedule is attached.

"Purchase Order" shall mean the document recording the specific Services to be carried out under this Agreement, from time to time.

"Fees" shall mean the prices and/or rates payable by the Company in respect of the Services and/or as specified in the relevant Purchase Order.

1.2 Unless otherwise stated, any and all references in the Agreement to Clauses are references to the Clauses of the Agreement.

1.3 The headings in the Agreement are used for convenience only and shall not govern or affect the interpretation of the Agreement.

1.4 Words denoting the singular shall include the plural and vice versa, where the context requires.

1.5 Except as expressly identified, any reference to statute, statutory provision or statutory instrument shall include any re-enactment or amendment thereof for the time being in force.

1.6 Unless expressly stated otherwise, all references to days, weeks, months and years shall mean calendar days, weeks, months and years.

2. SCOPE OF CONTRACT

2.1 The terms and conditions of the Agreement shall apply from the Effective Date and shall remain valid for the Term unless this Agreement is terminated earlier by the Company in accordance with Clause 10 below (Standard Terms and Conditions).

2.2 Subject to the provisions of this Agreement, the Parties agree that upon request of the Company in terms hereof, the Service Provider shall perform the Services at such locations and for such periods as may be agreed with the Company.

2.3 From time to time, the Company may issue a Purchase Order to the Service Provider. In such case, the terms and conditions of this Agreement shall apply to each such Purchase Order as if repeated in total.

2.4 The Service Provider shall commence the Services on the scheduled commencement date stated in the Purchase Order and shall continue such Services for the duration of the Purchase Order. Each Purchase Order is subject to agreement on a case by case basis. The scope of work is complete in all respects, including scope for labour (of every description), material (including all sort of consumables), tools, tackles, fixtures, transportation, workmanship, supervision and anything which although not specifically mentioned, is necessary and expedient for the proper and successful execution of the Services to the satisfaction of the company and the safe and trouble free beneficial use of the Services by the company. Anything so necessary and expedient is deemed to have been taken account of in the Contract Price and shall be provided by the service provider at no additional cost to the company. The service provider shall make its own arrangement for all resources of any

description required for execution of the Services.

The service provider shall carefully study all the Scope of Work, drawings, schedule of items, instructions, and every part of the Contract and promptly notify the company through the Authorized Representative(s) of any omissions, ambiguities inconsistencies or discrepancies therein and obtain clarifications, in writing, before undertaking the Services

In the event of such omission, ambiguity, inconsistency or discrepancy, the clarification given by the company's Authorised Representative(s) shall be final and binding on the service provider

Should the service provider fail or neglect to obtain the company's clarification on any such omission, ambiguity, inconsistency or discrepancy, before executing the Services, the Company shall not be liable to make any payment in respect of such Services or any loss suffered as a result thereof neither shall it be obligated to grant the Contractor any extension of time.

Anything in the scope of work which requires the Contractor to do anything which is inconsistent with Good Industry Practice, shall be treated as technical inconsistency

3. SERVICES

3.1 The Service Provider shall perform the Services with all due skill, care and diligence in a safe, competent and timely manner and in accordance with the requirements of the Agreement and/or the relevant Purchase Order.

3.2 Except to the extent that it may be legally or physically impossible, the Service Provider shall comply with the Company's instructions and directions in all matters relating to the Services consistent with the provisions hereunder.

3.3 The Service Provider shall agree with the Company in the relevant Purchase Order

from time to time as regards the personnel who will perform the Services and shall:

(a) only provide such personnel who possess appropriate experience, skills and qualifications necessary for the Services to be performed in accordance with this Agreement;

(b) not remove or replace such personnel without the prior written consent of the Company (not to be unreasonably withheld); and

(c) nominate a senior manager or director of the Service Provider to have overall responsibility for the provision of the Services in terms of the relevant Purchase Order, which person shall attend any meetings with the Company on reasonable prior notice.

3.4 The Company shall be entitled to request the Service Provider to replace any of its personnel providing the Services, where in the Company's reasonable opinion such person is incapable and or unsuitable for performing the Services required by this Agreement. The Service Provider shall promptly replace such person at no additional cost to the Company.

3.5 Without prejudice to any other rights of the Company under the Agreement or at law, if the Service Provider fails to perform the Services in accordance with the provisions of this Agreement, the Company may use alternative means to perform the Services and the Service Provider shall be liable for any additional cost incurred by the Company in using such alternate means.

3.6 The company shall have a right to inspect and test the Services directly or through any appointed third party and shall have the full power to reject all or any portion of the Services that are defective or inferior in standard, quality, material, workmanship or design to that required in the Contract, should the Contractor not rectify the defect or fault within the time instructed by the company.

- 3.7 Should any dispute arise as to whether or not Services rejected by the company comply with the Contract, the service provider may within seven (7) days of such rejection arrange for tests or analyses to be undertaken by a suitably qualified expert to be nominated by the company and the results of such tests analyses shall be final and binding. The costs of such tests or analyses shall initially be borne by the service provider but in the event that the tests analyses prove that the Services do comply with the Contract, the Company shall refund the service provider all costs reasonably incurred by the service provider in respect of such tests or analyses. In case the Services are of such a nature that the technical acceptance cannot be based on any test, The Company's decision regarding their compliance with the Contract shall be final and binding
- 3.8 Should the service provider fail to arrange for such tests or analyses to be undertaken within the said period of seven (7) days from the date of rejection, the service provider shall be deemed to have accepted that the Services do not comply with the Contract.
- 3.9 The company may utilize a Score Card and Key Performance Indicator (KPI) Sheet to be provided by the company, or any other tool, in assessing the Contractor's performance. The service provider shall compile performance data against the said Score Card and KPI sheet diligently, and shall submit the same to the company along with Invoices at such frequency as may be required by the company. In the event that the service providers performance falls below minimum acceptable standards in the Score Card and KPI sheet, the service provider shall take all steps necessary to rectify such performance at its own cost. The company shall be entitled to Liquidated Damages at the rate specified in the Score Card, in the event Performance falls below the standards set in the Score Card
- 3.10 The Services shall not be considered as completed until a Certificate of Final Completion and Acceptance is signed by the

company's Authorised Representative(s). The Certificate of Final Completion and Acceptance shall state that the Services have been successfully completed and that the service provider has fulfilled all its obligations in accordance with the Contract. The Company shall not be liable to make the final payment in respect of the Services in the absence of a Certificate of Final Completion and Acceptance.

- 3.11 The service provider must have in place an appropriate quality assurance system that ensures compliance with contract specifications and must utilize that quality system in carrying out the work under the contract.
- 3.12 Any quality system will be used only as an aid to achieving compliance with the contract and to document such compliance. Such system will not relieve the service provider's of the responsibility to comply with the contract
- 3.13 Unless otherwise provided in the contract, testing of equipment, materials of work including all acceptance testing shall be performed by the contractor at its expense and in accordance with contractor requirements.
- 3.14 In order to assess the service providers work quality, conformance with the company's specifications and compliance with the order, upon reasonable notice by the company, all goods, materials and services related in any way to the goods and services purchased hereunder (including without limitation raw materials, components, intermediate assemblies, work in process, tools and end products) shall be subject to inspection and test by the company at all times and places including sites where the goods and services are created or performed, whether they be at the premises of contractor, contractor's suppliers or elsewhere.

The company's failure to inspect, accept, reject or detect defects by inspection shall neither relieve the service provider from responsibility for such goods or services that

are not in accordance with the order requirements nor impose liabilities on the company.

company whose decision in this regard shall be final and binding.

3.15 If any goods/services covered by this order is defective or otherwise not conforming with the requirements of this order, the company may, at its option:

- A. Cancel this order as to such non-conforming goods and/or services
- B. Accept such goods and/or services at an equitable reduction in price
- C. Reject such non conforming goods and/or services and require the delivery of suitable replacements.

3.16 Material certification- written certification shall state that the material used conforms to the specification requirements and test reports are on file. The Service provider may present the material Manufacturer's certificate of test for each raw material used in the manufacture of inspection lot of the product. The certificate shall show that the test results are in accordance with the specifications and shall be entered into the inspection record. whenever a Certificate of Quality Compliance is required, the material certification:

- A. Shall be signed by an authorized company officer or service providers representative responsible for Quality Assurance
- B Shall include actual test/inspection results
- C Shall include documentation for all required processes.

3.18 in rendering the Services the service provider shall only use vehicles, components, parts, items, plant, materials, equipment and other things used to carry out or incorporated in the Services which are of merchantable quality, fit for their purpose, free from defects and not of an age which would impair their operation. All vehicles, plant and equipment used on Site shall be subject to the approval of the

4. FEES

4.1 The Company shall pay for the Services performed in accordance with the prices as per Attachment 2 to Schedule I and/or rates specified in the relevant Purchase Order.

4.2 In case of contingency assignments, the agreed fees for such onetime Services shall be payable on completion of the relevant assignment as per the Purchase Order. The Contract Price shall remain fixed until completion of entire scope of Contract. No Contract Price adjustment shall be effective until it is agreed upon in writing by both Parties.

5. SERVICE PROVIDER'S GENERAL OBLIGATIONS

5.1 The Service Provider shall, and the Service Provider shall ensure that its employees and representatives shall, in performing its obligations under this Agreement, comply in all respects with all relevant laws, statutes, regulations and orders for the time being in force.

5.2 Where any of the Service Provider's employees or representatives is present at any of the Company's premises for the purposes of this Agreement, the Service Provider shall at all times remain responsible for the conduct and safety of such employee or representative.

5.3 The Service Provider shall not, in performing its obligations under this Agreement, hold itself out or permit any person to hold it out as being authorised to bind the Company in any way and will not commit any act which might reasonably create the impression that it is so authorised.

5.4 The Service Provider shall ensure that it has in place and maintains in place for the

duration of this Agreement sufficient insurance to comply with all applicable laws and to cover its potential liabilities under this Agreement and shall provide evidence of such insurances to the Company on request.

For the duration of the Contract, the Service Provider shall procure and maintain a comprehensive insurance policy from a reputed insurance company acceptable to the company against loss or damage arising from or occasioned in the course of any operations carried out by the service provider. The insurance shall include but shall not be limited to cover the following :

Injuries or death to any persons (including employees of the service provider, sub service provider and/ or third parties) resulting from any act or neglect done or committed by the service provider for and/or in respect of, any claims demands proceedings damages costs charges and expenses in respect thereof or in relation thereto

Damage to equipment, property, plant or any other resources belonging to KCM or Third parties, resulting from any act or omission, or neglect done or committed by the service provider or for or in respect of any claims demands proceedings damages costs charges and expenses in respect thereof or in relation thereto

Any other Third Party risks in respect of or in relation to the Services

Any other insurance as required by the applicable law

The service provider shall avail to the company proof of such valid policy failing which the company may withhold any payments due to the service provider. Such insurance shall be effected with an insurer acceptable to the company and shall name the company as beneficiary.

Further it is desired that the service provider at its own takes out and maintains a policy of insurance to the full replacement value of any equipment, item or plant owned, borrowed, hired and/or used by the service provider, his agents or distributors, for the purposes of executing the service provider, which, without limiting the generality of the

foregoing, includes any temporary site accommodation and the contents thereof

Delivery of any material and/or performance of any of the Services shall be deemed to have been made only if there is a corresponding company gate seal in case of material and/or biometrics entry at the Company's gate for the service providers employees, representatives or agents.

5.5 The Service Provider may not subcontract any of its obligations under this Agreement without the prior written consent of the Company. The Service Provider shall not be relieved from any of its obligations or liabilities under the Agreement by virtue of any subcontract and the Service Provider shall be responsible for all Services, acts, defaults or omissions of its subcontractors (and its or their employees and consultants) as though they were the services, acts, defaults or omissions of the Service Provider.

5.6 In performing the Services, the Service Provider shall:

(a) give preference to the purchase and use of goods manufactured, produced or supplied in Zambia provided that such goods are available on terms equal or better than imported goods with respect to the timing of delivery, quality, quantity required, price and other terms;

(b) subject to Clause 5.5, employ Zambian subcontractors having the required skills or expertise to the maximum extent possible insofar as their services are available on comparable standards with those obtained elsewhere and at competitive prices and on competitive terms, provided that where no such sub-Contractors are available, preference shall be given to non-Zambian subcontractors who utilise Zambian goods to the maximum extent possible, subject to the proviso in Clause 5.6 (a) above; and

(c) subject to Clause 5.5, co-operate with and assist Zambian companies as



subcontractors to enable them to develop skills and technology to service the petroleum industry.

- 5.7 The Service Provider shall maintain proper and accurate records in relation to the Services and shall provide copies of the same to the Company on request. The Company (or its appointed representative) shall have the right to audit the relevant books and accounts of the Service Provider in relation to any reimbursable charges paid for by the Company under this Agreement. Such audit right shall survive for a period of 2 (two) years following the expiry or termination of the Agreement. Any incorrect payments identified by such audit shall be adjusted between the Parties as appropriate.

6. THIRD PARTY CLAIMS AND LIMITATION OF LIABILITY

- 6.1 The Service Provider shall be liable for and shall defend, indemnify and hold the Company harmless from and against any and all claims, liabilities, costs, damages and expenses (including court costs and legal fees) in connection with:

- (a) any claim made by any third party (including, but not limited to, any claim made by any governmental or statutory authority) against the Company arising out of or in connection with the performance by the Service Provider of its obligations under this Agreement.
- (b) any infringement (whether actual or alleged) of any patent or other intellectual property right arising out of or in connection with the performance of this Agreement by the Service Provider.

- 6.2 Notwithstanding anything to the contrary in this Agreement, in no event shall either Party be liable to the other, whether arising under Agreement, tort (including negligence), strict liability or otherwise, for any indirect, consequential, special, punitive, exemplary or incidental loss or

damages of any nature arising at any time from any cause whatsoever.

7. VARIATIONS

- 7.1 At any time during this Agreement, the Company may request the Service Provider to vary, amend or otherwise alter the Services (a "Variation Request").
- 7.2 Upon the receipt of a request from the Company pursuant to Clause 7.1, the Service Provider shall, within 7 days, notify the Company of the effect of the Variation Request on the Fees and/or other terms of the relevant Order.
- 7.3 If following receipt of the Service Provider's response pursuant to Clause 7.2, the Parties are in agreement on the Variation Request and the adjustments to be made to the relevant Purchase Order, the Parties shall execute a variation order (a "Variation Order") to reflect such agreement.

Should the company seek any change or variation in the scope of the Services and where such variation is due to any default in the design, drawing or document supplied by the Contractor, any misrepresentation made by the service provider, or any default on the part of service provider, the service provider shall not be entitled to any addition in the Contract price nor to any extension of time.

In the event that some additional, altered or substituted services, materials, components, parts, items, consumables and other things used to carry out or incorporated in the Services which are not within the scope of the Contract as envisaged under Clause 8 above, are required ("Additional Items") for successful completion of the Contract, the company may instruct the service provider to provide such Additional Items and the service provider shall be obligated to comply with such instruction.

Where there is no rate specified in the Contract for such Additional Items, the following provisions shall apply:

Where the Additional Item(s) is of similar character or nature as anything in the Contract, the rate for such Additional Items shall be derived from Contract

Where the nature of the Additional Item (s) is such that the rate for the same cannot be derived as above, the rate shall be established based on offers requested for and taken by the company from the market for such Additional item

7.4 The Services shall not be varied, amended or otherwise altered and/or the Fees shall not be adjusted until such time as a Variation Order is executed by both Parties.

8. PAYMENT

8.1 In addition to any requirements set out in the relevant Purchase Order, each invoice shall:

- (a) be in duplicate;
- (b) bear the Contract Number stated on the cover sheet to the Agreement;
- (c) state the name, e-mail address, mobile telephone number of the Company's Representative; and
- (d) be accompanied by supporting evidence and itemised in accordance with the Company's requirements.
 - (e) Proof of delivery of Services or material
 - (f) Measurement of Services done as certified by the company authorized representative
 - (g) Copy of the relevant insurance obtained under the provisions of this Contract.
 - (h) Copy of Certificate of Final Completion and Acceptance issued by the company (incase of final payment).
 - (i) No due certificate issued by the service provider (incase of final payment).
 - (j) Proof of remissions in respect of its employees, to the National Pension Scheme Authority
 - (k) Proof of adherence to the Minimum Wages and Conditions of Employment Act Chapter 276 of the Laws of Zambia and other related

labour laws

- (l) Insurance Policy(ies) taken out pursuant to clause 27 below
- (m) Any other documents as may be required by any applicable law
- (n) The company shall be entitled to request the service provider and the service provider shall be obliged, to provide any additional details or document which shall be necessary for the company to satisfy itself as to the quality and quantity of Services and materials and workmanship used.

Specifically, the Service Provider shall submit the following information/ documents to the Company:

- (i) Copy of registration certificates under Zambian tax/other laws including but not limited to Income Tax, Value Added Tax, etc.,

Invoices to the Company shall be sent to the address set out in the Agreement. Service Provider must ensure that all invoices for services performed or goods delivered are submitted to the Company within 90 days.

8.2 The Company shall make payment of a correct invoice (as defined above with required document as list above) within 60 days of receipt to the Service Provider's nominated bank account. Any invoice not complying with the provisions of this Agreement will be returned by the Company and the Service Provider shall submit a rectifying invoice.

8.3 The Company may dispute any amount on an invoice and withhold the disputed amount provided that:

- (a) the Company makes payment of any undisputed portion of the invoice and notifies the Service Provider of the disputed amount within 45 days of receipt of the relevant invoice;
- (b) if the dispute is resolved in favour of the Service Provider, the Company shall pay the disputed amount within fifteen (15) days of the date of the resolution of the



dispute or forty-five (45) days of receipt of the invoice, whichever is later.

If the dispute is resolved in favour of the Company, the Service Provider shall forthwith issue a credit note for the disputed amount.

The company on giving or causing to be given an instruction to its bankers to effect the transfer of the amount due to the service provider, will have fully and effectively discharged its obligation to make such payment to the Contractor.

The service provider indemnifies the company its employees and agents against any claims of any nature which may be brought against any of them by any person or entity alleging non-payment of any amounts due to the Contractor, the delivery, posting or transfer of which has been effected in terms of this clause.

Irrespective of any certification or acceptance of an invoice by the company's Authorized Representative (s), the company shall not pay for any Services, materials or anything falling outside the scope of the Contract

In the event that the total amount paid to the service provider exceeds the total amount which would have been payable to the Contractor in respect of the Services in accordance with the Contract, the Company shall have a right to deduct to the extent of such excess, from any payment due to the service provider and/or to demand payment of any such excess amount by the service provider. Any such excess shall be deemed a debt due by the service provider to the company and shall be recoverable by the company by any means available to it at law.

8.4 The Company shall be entitled to set-off / adjust / deduct from any invoice under this Agreement, any payment due from the Service Provider to the Company or any of its Affiliates.

9. TAXES

9.1 DEFINITIONS

For the purposes of this Clause 9:

- (a) "Tax" or "Taxes" means taxes, levies, duties, fees, charges and contributions as amended from time to time and any interest or penalties thereon;
- (b) "Government Authority" or "Government Authorities" means any local or national government or authority of any country, competent to levy any Tax.

9.2 PERSON RESPONSIBLE FOR PAYMENT OF TAXES

Except as may be expressly set out in this Agreement, the Service Provider shall be responsible for:

- (a) the payment of all Taxes now or hereafter levied or imposed on the Service Provider or its subcontractors or on the personnel of the Service Provider or its subcontractors by any Government Authority in respect of any wages, salaries and other remuneration paid directly or indirectly to persons engaged or employed by the Service Provider or its subcontractors (hereinafter referred to as "Personal Income tax");
- (b) the payment of all Taxes now or hereafter levied or imposed by any Government Authority on the actual/assumed profits and gains made by the Service Provider or its subcontractors (hereinafter referred to as "Corporate Income tax");
- (c) the payment of all Taxes now or hereafter levied or imposed by any Government Authority on the services, if any, provided to the Company by the Service Provider or its subcontractors (hereinafter referred to as "Service tax");
- (d) the payment of all Taxes now or hereafter levied or imposed by any Government Authority on the goods, if any, sold to the Company by the Service Provider or its subcontractors (hereinafter referred to as "Sales tax/VAT");

- (e) the payment of all Taxes now or hereafter levied or imposed by any Government Authority on the goods, if any, manufactured by the Service Provider or its subcontractors for sale to the Company (hereinafter referred to as "Excise Duty"); and
- (f) the payment of any other Taxes now or hereafter levied or imposed by any Government Authority on the Service Provider or its subcontractors as a result of the performance of this Agreement.

9.3 WITHHOLDING TAXES AND WITHHOLDING CERTIFICATES

- 9.3.1 The Company shall, at the time of its payments due to the Service Provider, withhold the necessary taxes at such rate as is required by any Government Authority, unless and to the extent that the Service Provider shall produce to the Company any certificate issued by a Government Authority (having authority to issue such certificate) entitling the Service Provider to receive the payments under the Agreement for a prescribed period without deduction of any tax or deduction at a lower rate.
- 9.3.2 The Company shall provide the necessary withholding tax certificates to the Service Provider within the time stipulated by the relevant law to enable the Service Provider to file the same with the Government Authority as a proof of payment of such taxes.

9.4 PERSON RESPONSIBLE FOR FILING OF RETURNS / INFORMATION TO GOVERNMENT AUTHORITIES

- 9.4.1 The Service Provider shall be responsible for filing all necessary Tax returns (including, without limitation, returns for Corporate Income tax, Personal Income tax, Service tax, Sales tax and Excise Duty) with the relevant Government Authorities in accordance with all applicable statutory requirements and shall be responsible for providing all information requested by such Government Authorities.
- 9.4.2 The Service Provider shall also ensure that its sub-Contractors file such returns as stipulated by the relevant Government

Authorities and furnish such information as requested for by the relevant Government Authorities.

- 9.4.3 The Company, with respect to the tax withheld from the Service Provider in accordance with Clause 9.3 (Withholding Tax and Withholding Tax Certificates), shall be responsible for filing the withholding tax returns with the relevant Government Authorities in accordance with applicable statutory requirements.

9.5 COMPANY'S RIGHTS, IF TREATED AS REPRESENTATIVE ASSESSEE BY GOVERNMENT AUTHORITIES

In certain situations, a Government Authority may treat the Company as the representative assessee of the Service Provider and/or its subcontractors and recover the Taxes due to the Government Authority by the Service Provider or its subcontractors from the Company. In such situations, the Company shall have the following rights:

- (a) The Company shall be entitled to recover from the Service Provider, the Taxes paid on behalf of the Service Provider or its sub-contractors (together with any costs and expenses incurred by the Company in connection therewith) or to retain the same out of any amounts to be paid to the Service Provider or its sub-contractors that may be in its possession (whether due under this Agreement or otherwise) and shall pay only the balance, if any, to the Service Provider; and
- (b) If the Company is required to furnish any details or documents in such capacity, the Company shall request the details or documents to be furnished to it by the Service Provider and the Service Provider shall immediately furnish the same to the Company. If the Service Provider fails to comply with the foregoing, any penalty/interest levied on the Company for non-filing or late filing of details or documents in this

regard shall be recoverable from the Service Provider.

9.6 INDEMNITY

The Service Provider shall defend, indemnify and hold the Company harmless from and against any and all claims, liabilities, costs, damages and expenses (including court costs and legal fees) in connection with any Taxes which may be levied or imposed on the Service Provider or its sub-contractors by any Government Authority arising out of or in connection with the performance of this Agreement.

Notwithstanding anything contained in this Contract, and without derogating from any of the company's rights at common law, the service provider specifically undertakes that to the extent that it fails to disclose or to the extent that it makes incorrect disclosure of any of the facts, specifications or details as set out and required by the company in terms of this clause, the Contractor indemnifies the company and holds it harmless against all loss or damage sustained by the company including all claims, demands, proceedings, legal costs and charges and expenses which the company may sustain arising out of or in connection with the Contract.

9.7 CHANGES IN LAW

If, after the date of execution of this Agreement, there is any change in law which results in a change in the rate of any Tax included in the Service Provider's prices or rates or the introduction of a new Tax and such change which is applicable on the final services which results in an increase or decrease in the cost to the Service Provider of performing this Agreement then the Parties shall agree to a revision in pricing to reflect such change provided that:

- (a) the Party requesting such revision shall promptly (and in any case prior to submission of the Service Provider's final invoice under this Agreement) notify the other Party that such change in law has arisen; and
- (b) the Party requesting such revision shall provide the other Party with documentary proof of such change in

cost to the reasonable satisfaction of the other Party; and

- (c) the provisions of this Clause 9.7 shall not apply to changes in Personal Income tax or Corporate Income tax or to changes in non-Zambian Taxes.

10. TERMINATION

10.1 In the event of the Contractor:

- 10.1.1. Committing a breach of the Contract
- 10.1.2. Being liquidated, wound up or ceasing to carry on business
- 10.1.3. Being involved in unethical, illegal actions or committing any crime whatsoever on or at the company's premises or in connection with the performance or the execution of the Contract; or
- 10.1.4. Contravening any Laws, or Regulations or the Company policy regarding security, safety and health, which are applicable to the company's premises and/or the Services;

The company shall, without prejudice to any of the company's other rights under the Contract or in law, be entitled

A. In the event of 10.1.3, and 10.1.4 and, to direct the Contractor forthwith to remove from the company's premises any or all of its employees, agents, distributors and their employees or representatives who, in the sole and exclusive discretion of the company, were involved in any such actions and such person(s) shall not be permitted to re-enter the company's premises without the prior written consent of the company; and/or to forthwith terminate the Contract and to call on any related Bank Guarantee,

B. In the event of 10.1.1, 10.1.2, 10.1.3 and 10.1.4 to terminate the Contract forthwith

10.2. The company may terminate the whole, or any portion of the, Contract at any time without assigning any reason by giving thirty (30) days written notice to the Contractor. It is agreed between the Parties that the notice of thirty (30) days is adequate and reasonable.

10.3. The company shall be entitled to instruct the Contractor to suspend the Services at any time and for whatever reason. The Contractor shall

not be entitled to any payment in respect of such period of suspension unless agreed otherwise by the Parties. No standing time or compensation for idle labour or idle machinery, will be payable to the Contractor under any circumstances.

10.4. In event of suspension, the Company may in its discretion grant an extension of time to the Contractor

11. CONFIDENTIALITY

11.1 The Company and the Service Provider shall keep any information which either Party learns about or receives from the other pursuant to this Agreement in strict confidence and will not disclose the same to any third party without the prior written consent of the other Party. The foregoing restriction shall not apply in respect of information which the Company requires to disclose for the purpose of performing Services or which was in the possession of the disclosing party prior to this Agreement or which is required to be disclosed by any law, rule or regulation of any governmental agency or court order. The provisions of this Clause shall survive the expiry of termination of the Agreement for a period of 3 years.

11.2 The Service Provider shall not disclose such Information(s) to any potential subcontractors until such time and in manner agreed by Company in writing. The decision of the Company will be final and binding on the Service Provider in this regard.

11.3 The Service Provider shall use best endeavours to prevent the authorised disclosure of the all information hereunder. Where any information is required to be disclosed under Clause 11.1, the Service Provider shall give prompt notice to the Company and shall use its best commercial endeavours to limit the extent of any such disclosure.

The service provider shall return or at the request of Company destroy all the original Information and any copies and

reproductions (both written and electronic) in its possession or under its control and in the possession of any third party to whom the service provider has disclosed such Information

12. NOTICES

12.1 Any notice or other communication required or given under this Agreement shall be delivered in writing either by hand or by courier, registered mail with acknowledgment due, email, or fax to the address of the relevant Party set out in the Agreement (or such other address as may be notified by the relevant Party from time to time).

12.2 If a notice is delivered by hand or courier during normal business hours of the intended recipient it shall be deemed to have been received at the time of delivery otherwise on the next business day of the recipient. A notice sent by facsimile shall be deemed to have been received at the time when the sender's facsimile machine acknowledges transmission provided however that if the time of acknowledgement of transmission is after 5.00pm on a business day of the recipient it shall be deemed to have been received on the next business day of the recipient.

12.3 All notices or other communications between the Parties shall be in the English language.

13. GENERAL LEGAL PROVISIONS

13.1 The Company shall be entitled to assign this Agreement to an affiliate/subsidiary or on giving written notice to the Service Provider. Save as aforesaid, the Service Provider shall not be entitled to assign this Agreement or any part or any benefit or interest in or under it without the prior written approval of the Company which the Company may at its sole discretion accept or refuse.

13.2 This Agreement shall not be amended or modified except by mutual agreement in writing between the Parties.

- 13.3 This Agreement and the all Schedules and Attachments annexed hereto contains the whole agreement between the Parties relating to the subject matter of this Agreement, and supersedes any previous understandings, commitments, agreements or representations in respect of the subject matter.
- 13.4 No delay or failure on the part of either Party to enforce from time to time all or any part of the terms and conditions of this Agreement shall be interpreted as a waiver of such terms and conditions.
- 13.5 Nothing in this Agreement shall, or shall be deemed to, create an agency, a partnership or a relationship of employer and employee between the Parties. For the avoidance of doubt, nothing in this Agreement shall prevent or restrict the Company from entering into parallel Agreements with other parties for services similar or related to the Services.
- 13.6 Unless otherwise specifically stated, both the Company and the Service Provider shall retain all rights and remedies, both under the Agreement and at law, which either may have against the other.
- 13.7 Each Party represents and warrants to the other that (i) it has been duly registered and organised and is a validly existing legal entity under the laws of the jurisdiction of its incorporation and that it has full power, authority and capacity to enter into and to carry out its obligations under the Agreement and (ii) by performing the Services it will not be in breach of any other Agreement, agreement, license or permit or in violation of any law and (iii) it shall at all times act in accordance with applicable laws and regulations.
- 13.8 The Service Provider shall comply with all safety health and Environment instructions of the Company consistent with the provisions of the Agreement including, without limitation, the safety instructions of any of the Company's other Service

Providers. Such instructions shall, if the Service Provider so requires, be confirmed in writing by the Company's Representative, so far as practicable.

- 13.9 The Service Provider shall not be entitled, without the written consent of Company, to make any news release or public announcement concerning the subject matter of the Agreement or to refer to the Company, use its name or logo, in print or electronic forms for marketing or reference purposes.
- 13.10 If any provision of this Agreement is prohibited, invalid or unenforceable in any jurisdiction, that provision will, as to that jurisdiction, be ineffective to the extent of the prohibition, invalidity or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of that provision in any other jurisdiction, unless it materially alters the nature or material terms of this Agreement.
- 13.11 The provisions of this Agreement are solely for the benefit of the Parties. No other person are intended to have, nor will have, any rights whatsoever, under this Agreement, whether for injury, loss or damage to person(s) or property or for economic loss.
- 13.12 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will constitute one and the same instrument.

14. FORCE MAJEURE

- 14.1 Neither the Company nor the Service Provider shall be responsible for any failure to fulfil any term or condition of the Agreement if and to the extent that fulfilment has been delayed or temporarily prevented by a force majeure occurrence such as any (a) Act of God, (b) fire, flood, earthquake, (c) war, riot, insurrection and civil commotion, mobilization or military, call up of a comparable scope, which has been

notified in accordance with this Clause 14 and which is beyond the reasonable commercial control and without the fault or negligence of the party affected and which, by the exercise of reasonable diligence, the said party is unable to provide against.

- 14.2 In the event of a force majeure occurrence, the party that is or may be delayed in performing the Agreement shall notify the other party without delay giving the full particulars thereof and shall use reasonable endeavours to remedy the situation without delay.
- 14.3 Save as otherwise expressly provided in the Agreement, no payments of whatever nature shall be made in respect of a force majeure occurrence.
- 14.4 Following notification of a force majeure occurrence in accordance with Clause 14.2, the Parties shall meet without delay with a view to agreeing a mutually acceptable course of action to minimise any effects of such occurrence.

15. BUSINESS ETHICS

- 15.1 The Service Provider shall declare any conflicts of interest with the Company including relationship or financial interest of any nature whatsoever with employees, managers, other suppliers, vendors or stakeholders of the Company.
- 15.2 The Service Provider shall not use the services of any of the employees of the Company, directly or indirectly or enter into any sort of monetary transaction with the employees of the Company. The Service Provider undertakes that he has not given, offered or promised to give directly or indirectly any bribes, commission, gift, consideration, reward, or inducement to any of the employees of the Company or their agent or relatives for showing or agreeing to show favor or disfavor to any person in relation to this Agreement or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the aforesaid undertaking, by the Service

Provider, or his partners, agent or servant or any one authorized by him or acting on his behalf. The Service Provider undertakes that in the event of use of any corrupt practices by the Service Provider, the Company shall be entitled to terminate the Agreement forthwith and recover from the Service Provider, the amount of any loss arising from such termination. A decision of the Company or his nominee to this effect that a breach of the undertaking had been committed shall be final and binding on the Service Provider.

- 15.3 If at any time during execution or performance of this Agreement the Service Provider if faced with any undue demand, request for gratification or favor from any employee of the Company or a person connection with such employee, the Service Provider must report the same immediately at Whistleblower.CEO@kcm.co.zm
- 15.4 The Service Provider agrees to comply with the provisions of the Company's Supplier Code of Conduct and the Company's Human Rights Policy including the Modern Slavery Act and in case of breach thereof, the same shall be treated as a breach of this Agreement.
- 15.5 The Service Provider shall maintain records and provide to the Company upon request such records and evidences, as the Company may reasonably require, confirming the Service Provider's compliance with the obligations under Clause 15.4.
- 15.6 The Service Provider shall comply with the Anti-corruption, anti-money laundering laws, Anti-Bribery and Corruption (AB&C) requirements as applicable to them.
- 15.7 The Company shall have a right to initiate "audit proceedings" against the Service Provider to verify compliance with AB&C requirements. Such audit may be carried out by Company or by a reputed agency to be appointed by Company at the sole discretion of Company. The Service Provider shall extend full cooperation for smooth completion of the audit mentioned herein.

15.8 Notwithstanding anything in this agreement, Company shall have right to terminate the Agreement forthwith in case, it is found that the Service Provider has failed to comply with AB&C requirements.

15.9 The Service Provider may submit/report 'Complaints' pertaining to any violation to the Company's ethical business practices as specified in the Company's Code of Conduct Policy.

External stakeholders such as vendors, customers, business partners etc. have the opportunity to submit 'Complaints'; however, the Company is not obligated to keep 'Complaints' from non-employees confidential or to maintain the anonymity of non-employees. We encourage individuals sending 'Complaints'/raising of any matter to identify themselves instead of sending anonymous 'Complaints' as it will assist in the effective complaint review process.

Post review, if the complaint is found to be have been made with malafide intention, stringent action will be taken against the complainant. We encourage reporting genuine 'Complaints' and those submitted in true faith.

All the 'Complaints' under this policy should be reported to the Group Head-Management Assurance at the following address:

Group Head – Management Assurance,
Vedanta, 75 Nehru Road
Vile Parle (E), Mumbai 400 099
'Complaints' can also be sent to the
designated e-mail id:
Whistleblower.CEO@kcm.co.zm

16. GOVERNING LAW AND DISPUTE RESOLUTION

16.1 This Agreement shall be governed by, construed and enforced in accordance with the laws of Zambia the Republic of Zambia

16.2 Any dispute or difference whatsoever arising between the parties out of or relating to the

interpretation, meaning, scope, operation or effect of this Agreement or the existence, validity, breach or anticipated breach thereof or determination and enforcement of respective rights, obligations and liabilities of the parties thereto shall be amicably settled by way of mediation. Within a period of five (5) days from the Dispute Date the Parties' Authorised Representatives shall meet to discuss the Dispute and shall endeavour to resolve it amicably by way of good faith negotiations. Should the Authorised Representatives fail to resolve the Dispute in terms of clause 16.2 within seven (7) days of commencing negotiations, the Authorised Representatives shall escalate the Dispute to the Chief Executive Officers(CEOs) of both Parties or to such persons as may be nominated by the CEOs, who shall use their best endeavours to resolve the dispute.

Should the CEOs or nominated persons fail to resolve the dispute within seven (7) days from the date it is referred to them If the dispute is not conclusively settled within a period of twenty-one (21) days from the date of commencement of mediation or such further period as the parties shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the Arbitration Act, 2000 (as amended from time to time), which are deemed to be incorporated by reference into this clause.

16.3 The arbitration shall be conducted as follows:(i) A sole arbitrator shall be appointed in case the value of claim under dispute is less than USD 100,000.00 (United States of America Dollars one hundred thousand only or Zambian equivalent) and in any other event by a forum of three arbitrators with one arbitrator nominated by each Party and the presiding arbitrator selected by the Chief Justice of the Republic of Zambia.

(ii) The language of the mediation and arbitration proceedings shall be English. The seat of arbitration shall be Lusaka, Zambia

- (ii) The award made in pursuance thereof shall be final and binding on the parties. The right to arbitrate Disputes under this Agreement shall survive the expiry or termination of the Agreement.
- (iii) Each party shall bear its own costs of arbitrations and legal representation.

17.0 WARRANTY AND DEFECTS LIABILITY PERIOD

The Warranty Period in respect of the Services and all materials, components, parts, items, consumables and other things used to carry out or incorporated in the Services shall be a period of twelve (12) months from the date of completion of the Contract.

During the Warranty Period the Service provider shall be obligated, at its own cost (including but not limited to freight and transport costs), to promptly repair or replace any defect and/or fault in the Services and/or the materials, components, parts, items, consumables and other things used to carry out or incorporated in the Services.

The Warranty Period in respect of any replacements or repaired Services, materials, components, parts items, consumables and other things used to carry out or incorporated in the Services shall be twelve (12) months from the date of such repair or replacement, without any limit on the number or replacements or repairs.

The company shall inform the Service provider as soon as is reasonably practicable, of any such defects or faults and should the service provider fail to effect repairs or replacements within fourteen (14) days of notice The Company shall be entitled to carry out such repair or replacement at the service provider's risk and cost.

The Service providers obligations under this Warranty shall extend to any defect and/or fault that could not have been discovered through a reasonable examination by the company prior to the expiry of the Warranty Period ("Latent Defects"). The Warranty Period in respect of Latent Defects shall be four (4) years from the date of expiry of the Warranty Period.

18.0 BASIS OF CONTRACT PRICE

The Service provider shall be deemed to have

inspected the Site and its surroundings and to have satisfied itself as to all technical, commercial, social and general conditions of, and all circumstances affecting, the Site and the Services including the nature of the ground and sub-soil, the weather conditions, the form and nature of the Site, the extent and nature of the Services and materials necessary for the carrying out and completion of the Services, the means of communication with, and transportation and access to, the Site, the accommodation it may require and in general all risks and contingencies influencing or affecting the Services.

The service provider shall not, except as expressly provided in this Contract, be entitled to any extension of time or to any adjustment of the Contract Price on grounds of misinterpretation or misunderstanding of any of the matters stated in clause X.1 above.

19.0 LIEN

The company shall have the right to exercise a lien over any equipment, material or assets of the service provider in relation to any amounts that may have accrued to the Company under the Contract until such amounts shall have been recovered in full by the Company

The service provider agrees that in the event of sub contracting the whole or any portion of the Contract, it shall procure the Sub – service provider (s) to agree that the company shall have the right to exercise a lien over any of the Sub service provider's equipment, material or assets, in relation to any amounts that may have accrued to the Company under the Contract until such amounts shall have been recovered in full by the Company

20.0 SECURITY

The Service provider shall at all times comply with all the company's security rules, policies, procedures, and instructions whilst on the company's premises, including, but not limited to the submission to a personal examination and a strip search by persons authorised by the Company

The Service provider shall arrange for its own employees and representatives and those of its agents or distributors undertaking work on the company's premises to be screened by the company's security department prior to them entering such premises. All costs in this regard will be for the account of the service provider.

he service provider shall be responsible for security of the Site, its machinery, material.

and shall provide adequate lighting at the Site in case applicable.

21.0 DAMAGE TO PROPERTY

The service provider shall be responsible for and shall make good, all loss of or damage to any property, whether such property shall be the property of the company or third parties, caused by the Contractor, its sub-contractors and employees or representatives of both and/or vehicles, plant or equipment, engaged in rendering the Services, whether such damage is caused within the boundaries of the areas owned, leased or occupied by KCM or outside such boundaries. The Contractor shall not be granted any extension of time in the event of such damage.

22.0 CORPORATE SOCIAL RESPONSIBILITY (CSR) AND PUBLIC RELATIONS (PR)

The Contractor acknowledges that by virtue of this Contract, it is an integral business partner of Vedanta and the company and agrees to work in co-ordinated manner in the interest of the overall Contract. The Contractor undertakes to carry out CSR initiatives which shall include, amongst others, the following:
Maintaining cordial relationships with opinion makers at local, state and central level.

Taking proactive efforts in ensuring on time clearances, approvals and/or consents from relevant authorities applicable or relevant to the Services.

Undertaking visible CSR initiatives in form of improving existing public amenities such as roads, school buildings, drinking water system, religious places, in the nearby area for the well being of the local community at large.

23.0 SUSTANBILITY REQUIREMENTS

The service providers shall adhere to the company sustainability policies and procedures including Mission, Code of Conduct, Policies, Management

Standards and Technical Standards. These are available on the company Supplier Relationship Management Portal

The Service provider shall meet the requirements of the IFC (International Finance Corporation) Performance Standards. The service provider shall provide a safe and healthy work environment to its employees and shall meet the occupational health and safety requirements of the Company, both to satisfy the requirements of IFC Performance Standard 2 and to minimize risk and liability to the company. The service providers shall not engage in child labour or forced labour or allow such engagement in its supply chain, directly or indirectly. The service provider shall ensure that employees engaged directly or indirectly by it have access to appropriate grievance mechanisms.

The service provider shall ensure that its work does not impact, the health and safety of its employees or others, the environment and local communities especially where migrant labour is used.

The service provider shall avail to the company, copies of relevant supporting documentation which set out the activities to be undertaken, how the activities will be undertaken, the risks associated with the activities, and what controls and precautionary measures will be put in place to mitigate those risks. Key documents to be submitted by the Contractor shall include (but not be limited to) the following:
method statements;

risk assessments; service providers qualifications and experience;

service provider employee qualifications and experience; and valid insurance certificates.

The service provider shall ensure that any materials, tools or equipment brought onto the company premises by the Contractor are appropriate for the activities being undertaken and that they do not introduce additional hazards and risks to the company employees, third parties, property, equipment or the environment

The service provider shall provide the company with all relevant information regarding any such material, tools or equipment to the company, which relevant information should include material safety data sheets (MSDSs), requirements for additional PPE or control measures and any other manufacturer information as may be appropriate.

The service provider shall ensure that appropriate controls shall be in place to ensure that wastes, surplus materials and redundant equipment associated with service provider activities are stored,

transported and disposed of in an appropriate manner which meets regulatory requirements

The service provider shall strictly adhere to the company's permit to work system for service providers undertaking hazardous/high-risk activities or where they are working in hazardous areas of the company

In accordance with IFC Performance Standard 2, where a service provider provides accommodation for its employees, the accommodation shall be appropriate for its location, clean, safe and, at a minimum, meet the basic needs of its employees. In particular, the provision of accommodation shall meet requirements of the Applicable Law and Good Industry Practice, including but limited to the following:

- the practice for charging for accommodation;
- the provision of minimum amounts of space for each employee;
- provision of sanitary, laundry and cooking facilities and portable water;
- the location of accommodation in relation to the workplace;
- any health, fire safety or other hazards or disturbances and local facilities;
- and the provision of first aid and medical facilities;
- and heating and ventilation

Employees' freedom of movement to and from the provided accommodation shall not be unduly restricted.

The service provider's activities and performance shall be regularly inspected by the company, subject to audits and checks and monitored to ensure the service provider is working in accordance with the agreed contract and scope of work and performance expectations.

Issues identified from check, audits and inspections shall be recorded, action(s) to address the issues agreed with the service provider and closure of actions assured at the appropriate time by the company.

Review meetings shall be held on a regular basis with the Contractor to feedback the results of performance reviews, including areas of good performance and highlighting areas requiring improvement.

Should the service reviews indicate that performance is unacceptable by the company standards, the service provider should be given the opportunity to demonstrate improved competency by putting key actions in place failing which the Contract shall be terminated.

24.0 General:

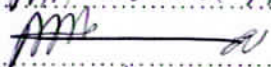
In the event of inconsistency between the General Conditions of Contract and the remainder of the Contract, the provisions of the remainder of the Contract shall prevail. In the event that a Purchase Order is also issued through the Company's SAP system and a Contract is signed between the Parties, the SAP Purchase Order shall only be a processing tool and should any conflict exist between the Contract and SAP Purchase Order, the provisions of the Contract shall prevail

Amendment 1 to Standard terms and conditions (STC's)

The below clause has been added to the standard terms and conditions, The company reserves the right to terminate the contract without any notice to the service provider/ supplier, if the service provider/ supplier fails to comply with the Minimum wage and Conditions of Service Act and various Zambian labor laws.

NB This amendment is being sent through SRM portal to all current service providers/suppliers with valid contract /Purchase order and deemed accepted unless otherwise raised with respective commercial controllers.

For any new contracts this will be part of STC link

Approver's name: MAXWELL MAMWA
Signature: 
Date: 12 / 10 / 2018