

CONTRACT DATA

**A contract between
SENTECH, Sender Technology Park, Radiokop, Octave Road, Honeydew,
and**

**for the
provision of due diligence services and the development of a Post-Merger
Integration Plan.**

Bid Number : SENT/0016/2019-20

Contents

- Part C1: Agreements and contract data
 - Form of Offer and Acceptance
 - Contract Data provided by the Sentech
 - Contract Data provided by the Supplier

- Part C2: Pricing Data

- Part C3: Scope of Work

- Conditions of Contract (available separately)

PART C1: AGREEMENTS AND CONTRACT DATA –

Form of Offer and Acceptance

Offer

Sentech, identified in the acceptance signature block, has solicited offers to enter into a contract for the provision of due diligence services and to development of a Post-Merger Integration Plan.

The Bidder, identified in the offer signature block, has examined the documents listed in the Tender Data and addenda thereto as listed in the Bid schedules, and by submitting this offer has accepted the conditions of the Bid.

By the representative of the Bidder, deemed to be duly authorized, signing this part of this form of offer and acceptance, the Bidder offers to perform all of the obligations and liabilities of the Bidder under the Contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the Contract Data.

THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF APPLICABLE TAXES; (in the Bids applicable currency).

_____ (amount in words);
_____ (amount in figures)

NB: The Prices quoted above is the total Bid offer inclusive of all applicable taxes for the Contract duration. The price must be carried over from the price breakdown / schedule of rates provided in the Bid document.

This offer may be accepted by Sentech by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the Bidder before the end of the period of validity stated in the Tender Data, whereupon the Bidder becomes the party named as the Bidder in the conditions of contract identified in the Contract Data.

Bidder's Signature(s) _____

Signed by the Bidder at _____ **on this the** _____ **day of** _____ **20** _____

Name(s) _____

Capacity _____

Address (Domicillium)

Acceptance

By signing this part of this form of offer and acceptance, Sentech accepts the Bidder's offer. In consideration thereof, Sentech shall pay the Bidder the amount due in accordance with the conditions of contract identified in the Contract Data. Acceptance of the Bidder's offer by the signature by Sentech shall form an agreement between Sentech and the Bidder upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

Part C1 Agreements and contract data, (which includes this agreement)

Part C2 Pricing data

Part C3 Scope of work.

and drawings and documents or parts thereof, which may be incorporated by reference into Parts C1 to C3 above.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto as listed in the Bid schedules as well as any changes to the terms of the offer agreed by the Bidder and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this agreement. No amendments to or deviations from the said documents are valid unless contained in this schedule of deviations.

Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the Bidder receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the Bidder within five working days of the date of such receipt notifies Sentech in writing of any reason why it cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

Sentech's Signature(s) _____

Signed by Sentech at _____ **on this the** _____ **day of** _____ **20** _____

Name(s) _____

Designation _____

SENTECH SOC LIMITED,

Sender Technology Park

Octave Road

Radiokop

Honeydew

Johannesburg

Date _____

Upon acceptance by Sentech of the Bidder's offer, a contract will come into existence.

SCHEDULE OF DEVIATIONS

Notes:

- 1 The extent of deviations from the Bid documents issued by the Sentech before the Bid closing date is limited to those permitted in terms of the conditions of Bid.
- 2 A Bidder's covering letter shall not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid, become the subject of agreements reached during the process of offer and acceptance, the outcome of such agreement shall be recorded here.
- 3 Any other matter arises from the process of offer and acceptance either as a confirmation, clarification or change to the Bid documents and which it is agreed by the Parties becomes an obligation of the contract shall also be recorded here.
- 4 Any change or addition to the Bid documents arising from the above agreements and recorded here shall also be incorporated into the Contract.

1. **Subject** _____

Details _____

2. **Subject** _____

Details _____

3. **Subject** _____

Details _____

4. **Subject** _____

Details _____

By the duly authorised representatives signing this schedule of deviations, Sentech and the Bidder agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to the documents listed in the Tender Data and addenda thereto as listed in the Bid schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the Bidder and Sentech during this process of offer and acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the Bid documents and the receipt by the Bidder of a completed signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this agreement.

Contract Data

Part one - Data provided by Sentech given in all contracts

1. The Purchaser is

SENTECH SOC LIMITED,
Sender Technology Park
Octave Road
Radiokop
Honeydew
Johannesburg

2. General

The National Treasury General Conditions of Contract for goods and services (NT GCC, 2010) or General Conditions of Contract for Works (2015) as issued by National Treasury and the Construction Industry Development Board of the Republic of South Africa apply, respectively.

The goods are specified in the Scope of Work. The Special Conditions of Contract (SCC) are stipulated in the Tender Data.

3. Goods information:

The *Goods Information* is in the document called "Scope of Work" and in the documents and drawings referred to by it.

4. Terms of Delivery

The *Terms of Delivery* are contained in the General Conditions of Contract (GCC) and Special Conditions of Contract.

5. Language

The *language* of this contract is English.

6. Governing Laws and Jurisdiction

The Contract shall be governed by and interpreted according to the laws of the Republic of South Africa.

In the event of a conflict between or inconsistency in the laws applicable in the various provinces of the Republic of South Africa, the law as applied and interpreted in the Gauteng Province shall prevail.

The parties irrevocably submit to the exclusive jurisdiction of the South Gauteng High Court, Johannesburg in respect of any action or proceeding arising from this Bid.

This Bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the SCC are in conflict with the GCC, the SCC shall prevail.

7. Sub-contracting post award

A Bidder awarded a Bid may only enter into a subcontracting arrangement with the approval of Sentech. The successful bidder may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the Bidder concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

8. Transformation Plan

A transformation plan is a record of activities an entity intends to undertake to improve its BBBEE Level through Ownership, Management and Control; Skills Development; Enterprise and Supplier Development and Socio-Economic Development.

Sentech reserves the right to request a BBBEE transformation plan with clearly defined timelines and milestones if the recommended bidder does not meet Sentech's transformation goals. These milestones must be achieved over the term of the contract. This transformation plan shall be submitted within 10 working days from the written request, failing which Sentech reserves the right to withdraw its appointment of the preferred recommended Bidder.

9. Warranty

The warranty period is 12 months after Delivery.

10. Payment

The method and conditions of payment are contained in the Tender Data, GCC and SCC.

The interest on late payment is 0 % per complete week of delay.

11. Currency

South African registered businesses that purchase equipment overseas and quote in foreign currency will be required to provide Sentech a 6-month forward cover contract on appointment. The 6 months forward cover will be re-negotiated and renewed every 6 months should the contract term on this tender be longer than 6 months.

12. General - Prices

Unless approval has been obtained from Sentech, no adjustment in contract prices will be made.

Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.

13. Price Negotiations

Sentech reserves the right to negotiate market related prices. If market-related prices are not agreed to, Sentech reserves the right to cancel the Bid.

14. Liabilities indemnities and insurance

Insurance is required from the Bidder in respect of delivery and transportation where applicable.

15. Disputes

Should any dispute, disagreement or claim arise between the parties ("the dispute") concerning this Agreement, the parties shall try to resolve the dispute by negotiation. This entails one party inviting the other party to meet and attempt to resolve the dispute within fourteen (14) days from the date of the written invitation.

If the dispute has not been resolved by such negotiation as referred to in this clause above, the Parties shall submit the dispute to the Arbitration Foundation of Southern Africa ("AFSA") for administered mediation, upon the terms set out by the AFSA secretariat.

Failing such resolution, the dispute shall be resolved by arbitration in accordance with the rules and procedures of AFSA by an arbitrator appointed by AFSA. Where the arbitration route is followed, the dispute must be adjudicated within Johannesburg in the English language and finally resolved in accordance with the rules of AFSA, by an arbitrator or arbitrators appointed by that Foundation.

The provisions of this clause shall not preclude any party from obtaining relief from a Court of competent jurisdiction. To this extent, the Parties hereby consent to the jurisdiction of the South Gauteng High Court, Johannesburg, South Africa. The provisions of this clause shall continue to be binding on the Parties, notwithstanding any termination or cancellation of this Agreement.

16. Termination

Sentech shall have the right, at its sole and exclusive discretion, upon written notice to the Bidder, to terminate this Agreement, in whole or in part should the Bidder fail to perform any of its obligations or deliver any deliverable timeously or should Sentech not be satisfied with the quality of any service/s in terms of this Agreement, to the satisfaction of Sentech.

Sentech shall furthermore have the right, as a result of such termination, to appoint a third party to perform the obligations of the Bidder in terms of the Agreement and the Bidder indemnifies Sentech against all costs incurred by Sentech in appointing such third party to fulfil the obligations of the Bidder.

Sentech shall have the right, at its sole and exclusive discretion, to terminate this Agreement, at any time, upon 30 (thirty) days' written notice to the Bidder.

17. Contract Term

This contract will run for a period of ____n/a____ months.

18. Supplier Due Diligence

Sentech reserves the right to conduct supplier due diligence at any time pre, during and post the contract period. This may include announced or unannounced site visits.

Sentech's Representative is

Name: Mr Zunaid Adams

Address: **SENTECH SOC LIMITED,**
Sender Technology Park
Octave Road
Radiokop
Honeydew
Johannesburg

Tel No. 0114714400

Email: adamsz@sentech.co.za

Sentech's Representative is the Executive Head of Legal Services of Sentech.

14. Delay damages

As stipulated in the Special Conditions of Contract.

Contract Data

Part two - Data provided by the Bidder

Statements given in all contracts

The Bidder is:

Name _____

Address _____

a company / close corporation / partnership duly incorporated in accordance with the laws of the Republic of South Africa.

PART C2: PRICING DATA

Price List

Insert detailed cost breakdown structure

PART C3: SCOPE OF WORK SENTECH'S GOODS INFORMATION

1. TECHNICAL REQUIREMENTS

1.1. Glossary of Terms

Abbreviations	Descriptions
BBI	Broadband Infracore SOC Ltd
ICT	Information Communications Technology
IDC	Industrial Development Corporation
M&A	Mergers and Acquisitions
SWOT	Strengths, Weaknesses, Opportunities, Threats

2. Introduction

SENTECH has formulated a mergers and acquisitions strategy and policy that will ensure inorganic growth. The M&A process will assist in building SENTECH's competitive advantage and create increased shareholder value, this can only be achieved through a targeted and skillfully managed M&A process.

To skillfully manage the process SENTECH requires advisory specialists on M&A **due diligence and post-merger integration planning**. The due diligence process outcomes will not determine whether the merger takes place or not. The outcomes of the due diligence are meant to inform the post-merger integration plan.

3. Requirements

Below are the required minimum specifications.

a) Scope of Work	
1) Calculation of the value attributable to the minority stake held by the IDC in the merged entity. i.e. what is the percentage shareholding the IDC should receive in the merged entity based on the value of the IDC Shareholding in Broadband compared to the enterprise value of the merged entity. 2) A detailed assessment with practical suggestions to complete a project implementation plan working with various Project Teams from both Sentech and BBI through the different stages of developing the implementation plan covering the following: <ol style="list-style-type: none"> Conducting a due diligence on the viability of the merger (including developing a SWOT analysis), Developing a corporate strategy and business plan, Designing a business model as well as an operating model Organisational design Integrating IT architecture Developing a human resource integration plan and Stakeholder management and communications plan to developing a new corporate identity 3) The outcome of the project implementation plan should detail a practical and implementable plan and business model ensuring a sustainable business moving forward which is commercially viable whilst still achieving the intent for which the separate entities were created.	
Diligence Topic	Diligence Topic Description
1) Value of Minority stake	i. Calculation of the value attributable to the minority stake held by the IDC in the merged entity, i.e. what is the percentage shareholding the IDC should receive in the merged entity based on the value of the IDC shareholding in BBI compared to the enterprise value of the merged entity. ii. Valuations should be based on past performance of individual entities as well as the forecasted future performance of the entities individually as well as part of the merged entity.
2) Conducting due diligence on the viability of the merger	i. Developing a SWOT analysis for the merged entity ii. Identify risks associated with the merger iii. Analysis of the strategic fit between the two organisations iv. Legal review of existing contracts; compliance issues v. Reputational risks associated with the merger
3) Financial due diligence	i. Including but not limited to audited financial statements for the last five years ii. Capital expenditure plan, iii. Cash flow; iv. Key customer accounts; v. Material contracts; vi. Sales pipeline, vii. Debtors and creditors; viii. Future projections for the merged entity ix. Tax due diligence
4) Developing a corporate strategy and business plan	x. Developing a Corporate strategy for the merged entity xi. Developing a Business Plan for the merged entity xii. Detailed budgets
5) Designing a business model as well as an operating model	I. Assessment of different business models for consideration II. Viable business model for the merged entity
6) Integrating IT architecture	i. Network design, application and information architecture ii. Contract and regulatory requirements iii. Business process integration iv. IT tools compatibility
7) Developing a human resource integration plan	i. Review HR processes and systems e.g. payroll ii. HR Policies review and consultation

a) Scope of Work	
	<ul style="list-style-type: none"> iii. Talent Management and Career Pathing iv. Grading of positions (comparison of systems and standardization) v. Change communication (centralized) vi. Organisational culture (socialization to integration) vii. Organization design and role optimization viii. Review Training and Development Plans ix. Labour relations (union affiliates and representation)
8) Stakeholder management	<ul style="list-style-type: none"> i. Stakeholder mapping and Issues management ii. Outline synergies between the two brands iii. Plan for migration of both brands (PR) iv. Brand communication plan
9) Legal and Regulatory	<ul style="list-style-type: none"> i. Audit of licences of SENTECH and BBI ii. Integration of sector-specific regulatory requirements for the new entity iii. Integration of the Universal Service and Access Obligations of SENTECH and BBI
10) Risk and compliance	<ul style="list-style-type: none"> i. Tax Compliance issues to be addressed ii. Labour Law compliance iii. Protection of Personal Information iv. The PFMA requirements of both entities v. Identification of material audit findings from both entities vi. Companies Act (MOI requirements) vii. National Key Point requirements to be incorporated

b) **Any other services** relating to M&A post-merger integration planning that may arise during the course of the development stage. Bidders are to state and cost those activities not stated above.

c) Bidders are welcome to submit supplementary information in respect of other **value add** services which they offer.

d) Timeframes and Deliverables

- Pre-merger company valuation i.e. due diligence should be presented on or before 31 December 2019
- The post-merger implementation plan first draft should be presented on or before 31 December 2019
- The post-merger final implementation plan should be presented on or before 31 January 2020

e) Information to Tenderers

- Successful bidders will be required to consent to a Non-Disclosure Agreement prior to carrying out the scope of work.
- SENTECH reserves the right to appoint more than one service provider.

4.