Note: All tenders and quotations are done via our eProcurement system.

The information given below is an extract of the scope of work. **To access/open the full set of tender documentation, you must be registered on CSD.**
If you have a MAAA CSD registration number and receiving email notifications from PetroSA Procurement you are already registered, please login as indicated below:

Username: MAAA...
User Code: MAAA...
Password: newuser

Contact the call center on **012 663 8815** or email: **support@intenda.net** if you are having problems with your login.

If **you do not have a MAAA** CSD registration number, please click on **"Not Registered Yet"** and register. Click on the link below to download a "how to" guide to assist you.
http://www.procurement.petrosa.com/Downloads/Documents/SupplierSelfRegistration.pdf

ENQUIRY NUMBER : CTT0000025071

SCOPE OF WORK

TENDER FOR THE APPOINTMENT OF ACCOUNTING, TAX, COMMERCIAL AND LEGAL TRANSACTION ADVISOR TO PetroSA GHANA FOR SHARE BUYBACK TRANSACTION

1. INTRODUCTION

- PetroSA Ghana Limited ("PetroSA Ghana"), a wholly owned subsidiary of The Petroleum Oil and Gas Corporation of South Africa SOC Limited ("PetroSA"), is a key commercial entity within the PetroSA Group in terms of its financial contribution to the Group. PetroSA Ghana is a British Virgin Islands incorporated company with a Branch in Ghana and it is effectively managed and controlled from South Africa.

- PetroSA Ghana is exploring mechanisms to increase financial support for PetroSA (the Parent company) through a share buyback transaction. The objective of the share buyback transaction is for PetroSA Ghana to buy back some of the shares held by PetroSA. PetroSA holds 50,018 shares in PetroSA Ghana with a value of US$122 million as at 31 December 2021.

2. SCOPE OF WORK

The Consultant shall have the right to sub-contract any of his/her obligations hereunder the Agreement, provided that the prior written consent of the PetroSA, which shall not be unreasonably withheld, is obtained. In the event of such a sub-contracting, the Consultant shall remain fully liable for the due performance of the obligations under this Agreement.

2.1. For Commercial Transaction Advisor

The Consultant undertakes to provide a Commercial opinion which covers the following:

- Specific requirements to embark on a share buyback transaction between PetroSA Ghana and PetroSA;
- Requirements of the Public Finance Management Act (PFMA), South African Companies Act and Ghanaian laws applicable;
- Any Ghanaian government approvals required as PetroSA is the guarantor in terms of JV agreements and Ghanaian laws;
- Advise on the benefits and risks associated with the share buyback transaction and whether, from a Commercial advisory standpoint, this is the best mechanism for assisting PetroSA with its current cash constraints;
- Recommend an alternative mechanism to transfer funds between PetroSA Ghana and PetroSA; and
- Propose timelines to implement the transaction (inclusive of all transaction components that the bidder may outsource).

2.2. Legal Consultancy

- Drafting of legal documentation necessary to effect the share buyback transaction;
- Identify the statutory and regulatory clearances from the relevant authorities for the share buyback transaction in South Africa, in terms of PFMA, the South African Companies Act, South African Reserve Bank Exchange Control Regulations, etc;
- Identify the statutory and regulatory clearances from the relevant authorities for the share buyback transaction in Ghana, in terms of the Ghanaian Companies Act etc;
- Identify the statutory and regulatory clearances from the relevant authorities for the share buyback transaction in the British Virgin Islands ("BVI"), in terms of the BVI Companies Act;
- Drafting of opinions and assisting with the drafting of submission in terms of seeking such statutory and regulatory clearances;
- Consideration of any limitations to the share buyback in borrowing covenants in terms of the External Borrowings and notifications/approvals to be sought where there is a reduction in issued share capital/equity used as security by the lenders for the External Borrowings; and
- Advise and assist on any other relevant legal requirement to close the transaction on the instruction of PetroSA.

2.3. Tax Consultancy

- PetroSA Ghana is a registered Taxpayer in South Africa, as it is effectively managed and controlled from South Africa.
- Provide an opinion on and calculation of the South African Tax consequences of the share buyback for both PetroSA Ghana and PetroSA and possible Group Tax Relief that maybe available as part of the same group of companies;
- Provide an opinion on and calculation of the Ghanaian Tax consequences of the share buyback for PetroSA Ghana, considering whether there may be relief under the Petroleum Agreements for the West Cape Three Points (WCTP) and Deep Water Tano (DWT) Licences;

- Consider and advise on the deductibility of interest on the External Borrowings where the same will fund the share buyback from the context of Transfer Pricing (thin capitalisation rules), the new interest deduction limitations introduced in South Africa Concomitant with the lower Corporate Tax Rate, and restriction of interest deductions in Ghana to only Petroleum Expenses; and
- Assist in preparation of documentation as necessary for reporting the share buyback to the Revenue Authorities in South Africa and Ghana, including facilitation of possible Dividends Tax and withholding payments.

2.4. Accounting Technical Consultancy

- Advise on the initial recognition (including journal entries) of the share buyback transaction in PetroSA Ghana's annual financial statements and the initial recognition (including journal entries) of the share buyback transaction in the PetroSA Company and Consolidated annual financial statements, in accordance with International Financial Reporting Standards ("IFRS"). Advice must include subsequent measurement implications and related journal entries;
- Recommended disclosures and notes in the annual financial statements listed above, in accordance with IFRS; and
- Note that PetroSA Ghana prepares "Company" annual financial statements in accordance with IFRS and the requirements of the BVI Companies Act, the South African Companies Act and the PFMA and "Branch" annual financial statements in accordance with IFRS and the requirements of the Ghana Companies Act.

3. INFORMATION REQUIRED IN RESPECT OF THE TRANSACTION ADVISOR

To perform a due diligence of respondents, the tender response must be accompanied by the following information/documentation:

3.1. Background

3.1.1. Legal company name and trading name
3.1.2. Addresses: physical and mailing
3.1.3. Main telephone number, fax and email address
3.1.4. Registration details with SARS (for all relevant types of taxes) (where the respondent is a South African entity), alternatively Tax Identification Number where the respondent is a foreign entity
3.1.5. Summary of nature of products or services offered

3.2. BEE level

In respect of South African companies, confirmation of compliance with the Employment Equity Act, 1998: Copies of the company's BEE policies, latest BEE scorecard and any BEE verification certificates issued for any direct or indirect shareholders of the company.

4. PRE-QUALIFICATION CRITERIA

The following pre-qualification criteria need to be satisfied for the respondent to progress to the evaluation stage.

4.1. The primary role of Commercial Transaction Advisor

a) The company should have a minimum of 5 years' experience of advising corporates in Ghana and successful execution of share buyback transactions.

4.2. Sub-contracted Legal Consultant

a) The company should have a minimum of 5 share buyback transactions in which it provided legal advisory and drafting services.
b) The company should have a presence in Ghana and in South Africa either independently or through associates; and
c) The company should be fairly acquainted with English Law.

4.3. Sub-contracted Tax and Accounting Consultant

a) The company should have a minimum of 5 years of experience advising Corporates in Ghana on Tax & Technical Accounting.
b) The company should have a minimum of 5 years of experience in terms of advisory on share buyback transactions; and
c) The company should have an independent presence and advisory business in Ghana.

5. TENDER EVALUATION PROCESS

The procurement process will be a two-stage selection process. The Tender responses received at Stage 1 will be evaluated against pre-approved evaluation criteria and Commercial, Legal, Tax and AccountingTransaction Advisor will be shortlisted and recommended for the final stage of the selection process.

6. ENQUIRIES

Any enquiries regarding this tender should be addressed to **Caroline Widmer** in the Tender Office at telephone no. (**021) 929-3006**, or e-mail address **caroline.widmer@petrosa.co.za**.