

Annexe F**RULES OF ROAD TRANSPORTATION, PLANNING AND OPERATING PROCEDURES****Table of Contents**

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1. INTRODUCTION

- 1.1 In addition to the provisions of the Agreement, this **Annexe F** records the procedures that shall apply to all activities relating to the planning, loading, unloading and transportation of Road Limestone for Supply to Eskom.
- 1.2 Where Eskom is responsible for transportation of Road Limestone, the Supplier has no contractual obligations with the Limestone Transporters employed by Eskom in terms of this **Annexe F**, unless specifically provided for in the Agreement.

2. DEFINITIONS AND INTERPRETATION

- 2.1 Save as defined in this clause 2.1, the words and expressions defined in the Agreement, shall bear the same meanings herein. Unless the context indicates a contrary intention, the following words and expressions shall bear the meanings assigned to them below, and cognate expressions bear corresponding meanings:

- 2.1.1 **"Actual Truck Loading Rate"** means the actual average hourly rate at which the Supplier loads Road Limestone into Limestone Trucks, calculated as the tonnage loaded during each day divided by the Actual Truck Loading Time for that day;
- 2.1.2 **"Actual Truck Loading Time"** means the actual time, measured in hours or part thereof, taken by the Supplier to load Limestone Trucks each day, which time shall be calculated from the later of 00h00 or the time the Supplier is scheduled to commence loading of the Limestone Trucks, until the time the Supplier completes the loading of Limestone Trucks for the day, but excluding any period where no Limestone Trucks are available for loading or where bad weather prevents the safe loading of Limestone Trucks; Limestone Trucks are available for loading or where bad weather prevents the safe loading of Limestone Trucks;
- 2.1.3 **"Actual Truck Unloading Rate"** means the actual average hourly rate at which Eskom unloads limestone at each power station, calculated as the tonnage of limestone unloaded during each day divided by the Actual Truck Unloading Time;

- 2.1.4 **“Actual Truck Unloading Time”** means the actual time, measured in hours or part thereof, that Eskom takes to unload Limestone Trucks at the Power Station each day, which time shall be calculated from the latter of 00h00 or the time Eskom is scheduled to commence unloading of the Limestone Trucks, until the time Eskom completes the unloading of Limestone Trucks for the day, but excluding any period where no Limestone Trucks are available for unloading, or where bad weather prevents the safe unloading of Limestone Trucks;
- 2.1.5 **“Limestone Transporter”** means a company owned or contracted by Eskom or the Supplier to transport Road Limestone in terms of the Agreement;
- 2.1.6 **“Limestone Truck”** means a vehicle used to transport limestone to the Power Station, which is operated by a Limestone Transporter, and which meets the technical specifications contained in clause 7. For the avoidance of doubt, the term Limestone Truck includes any trailers attached to a truck;
- 2.1.7 **“Eskom Logistics Planning”** means the Eskom logistics planning office as identified by Eskom from time to time in writing;
- 2.1.8 **“Eskom’s Automated Weighbridge Solution”** means Eskom’s central contract and order management system for both Limestone suppliers and Limestone Transporters;
- 2.1.9 **“Lead Logistics Provider (LLP)”** means any company appointed by Eskom to plan, schedule, manage and monitor the transportation of Road Limestone through Agreements and monitor Road Limestone stocks on Eskom’s behalf, including all applicable safety procedures.
- 2.1.10 **“Loading System Availability”** means the total time that the Supplier’s loading equipment is actually available to load and dispatch Limestone Trucks at the Target Mine Loading Rate, divided by the agreed total time that the Supplier should be loading and dispatching Limestone Trucks;
- 2.1.11 **“Local Weighbridge Automation System (LWBAS)”** means the local weighbridge application which meets the requirements set out in clause 6.3.3.4;

- 2.1.12 **“Minimum Truck Loading Hours”** means the minimum period available to the Supplier to operate its facilities for loading Limestone Trucks in any day or week, in accordance with clause 8.2.1.2;
- 2.1.13 **“Minimum Truck Unloading Hours”** means the minimum period that Eskom must operate its unloading facilities at its power stations in any day or week, in accordance with clause 8.2.1.2;
- 2.1.14 **“Permissible Maximum Combination Mass (PMCM)”** means the maximum permissible vehicle combination mass as determined by the Eskom’s Vehicle Management System (VMS) in accordance with Department of Transport legislation;
- 2.1.15 **“Road Limestone”** means Contract Limestone which Eskom requires to be Taken Off or Delivered by road transport;
- 2.1.16 **“RTMS”** means the Road Transport Management System, a Standards recommended practice consisting of Consignee Standards (ARP 067-3:2007), Consignor Standards (ARP 067-2:2007) and Operator Standards (ARP 067-1: 2007); 2007;
- 2.1.17 **“Target Truck Loading Rate”** means a consistent loading rate at which the Supplier must provide for the loading and mass measurement of Road Limestone, measured in Tons per hour and calculated as at least 130% (one hundred and thirty percent) of the minimum rate necessary to load and weigh the total planned tonnages in the agreed operating hours for each week, given the required Loading System Availability of the Supplier’s loading facility and equipment, as set out in clause 6.3.4 and as agreed by Parties in terms of clause 8.2.1.2;
- 2.1.18 **“Target Truck Unloading Rate”** means the consistent rate at which Eskom must provide for the mass measurement and unloading of Road Limestone at each power station, measured in Tons per hour and calculated as at least 130% (one hundred and thirty percent) of the minimum rate necessary to weigh and unload the total planned tonnages for the power station, given the power station’s planned operating hours for each week and as agreed between Parties in terms of clause 8.2.1.2;

- 2.1.19 “**Truck Driver**” means the driver of any Limestone Truck; and
- 2.1.20 “**Truck Turn Around Time**” means:
- 2.1.20.1 at the Mine, the time taken to load a Limestone Truck, measured from the time the unloaded Limestone Truck passes over the Supplier’s weighbridge, until the loaded Limestone Truck departs from the Supplier’s weighbridge, but, for the avoidance of doubt, excluding any time taken for covering the truck with tarpaulins; or
- 2.1.20.2 at the Power Station, the time taken to unload a Limestone Truck, measured from the time the loaded Limestone Truck passes over the Eskom weighbridge, until the unloaded Limestone Truck departs from the Eskom weighbridge, but, for the avoidance of doubt, excluding any time taken for removing tarpaulins from the Limestone Truck.

3. GENERAL

Where reasonably possible, no changes shall be made to this **Annexe F** that would result in this **Annexe F** becoming inconsistent with Eskom’s operating procedures in respect of Road Limestone Supply and Delivery.

4. ROAD TRANSPORT MANAGEMENT SYSTEM (RTMS)

- 4.1 Eskom undertakes, as soon as reasonably possible but in any event within 6 (six) months of Eskom notifying the Supplier, to implement the Road Transport Management System (RTMS). The Parties to the Agreement shall ensure that all activities pertaining to the Road Limestone transportation and which fall under their control are accredited by RTMS National Committee/SANAS.
- 4.2 Eskom shall ensure, at its cost, that all activities at each Power Station relating to the Supply of Road Limestone, are accredited to the RTMS standards titled ARP 067-3:2008 (Consignee).
- 4.3 The Supplier shall ensure, at its cost, that all activities at the Mine relating to Road Limestone are accredited to the RTMS standards titled ARP 067-2:2008 (Consignor).
- 4.4 Eskom and the Supplier shall ensure that all Limestone Transporters in their employ are accredited to the RTMS standards titled ARP 067-1:2008.

5. LEAD LOGISTICS PROVIDER (LLP)

- 5.1 Eskom will from time to time appoint an LLP as its agent to oversee its logistics function.
- 5.2 Where Eskom's LLP has been appointed, the Supplier and all Limestone Transporters shall accept the authority of such LLP in discharging its mandated responsibilities.

6. GENERAL RESPONSIBILITIES OF EACH PARTY

- 6.1 The Supplier shall be responsible for the planning of loading and road operations for the Limestone Transporters under its employ.
- 6.2 Eskom shall be responsible for the planning of unloading and road operations for the Limestone Transporters under its employ.

6.3 Supplier's responsibilities

- 6.3.1 Where the Supplier is responsible for transportation of Road Limestone, it shall procure that sufficient Limestone Trucks are available to meet its Delivery obligations in terms of the Agreement and procure that Limestone Trucks arrive at the Power Station during the planned operating hours and rates as scheduled and agreed in terms of clauses 8.2.1. and 9.6.
- 6.3.2 The Supplier shall ensure that any Limestone Transporter in its employment adheres to the applicable provisions of this **Annexe F**. Failure by a Limestone Transporter under the employ of the Supplier to adhere to any provision of this **Annexe F** shall be deemed to be a failure by the Supplier and shall be dealt with in terms of clause 11 before either Party may invoke the breach provisions contained in the Agreement.
- 6.3.3 The Supplier shall, at its own cost and expense provide, operate and maintain infrastructure for the loading of Road Limestone, which shall include:
 - 6.3.3.1 an access road and loading area, suitable for operation under all normal weather conditions, and with adequate lighting for safe operations at night;
 - 6.3.3.2 suitable equipment to load Road Limestone in accordance with all relevant legislation and Eskom's rules for accurate loading as set out in clause 10.7;
 - 6.3.3.3 mass measuring equipment in accordance with clause 22 of the Standard Terms and Conditions of Limestone Supply; and
 - 6.3.3.4 an LWBAS or equivalent system which, meets the Eskom specification, is electronically integrated into Eskom's Automated Weighbridge Solution network and has as a minimum the following functionality:
 - 6.3.3.4.1 measures each Limestone Truck's arrival time and mass;

- 6.3.3.4.2 electronically posts such information back to Eskom's Automated Weighbridge Solution and to Eskom's logistics information platform; and
 - 6.3.3.4.3 provides a goods received note for each Limestone Truck.
- 6.3.4 The Supplier's equipment for the loading and mass measurement of Limestone Trucks must be capable of operating 24 (twenty four) hours a day, 7 (seven) days a week with a minimum of 95% (ninety five percent) Loading System Availability, unless agreed otherwise in writing between the Supplier and Eskom.
- 6.3.5 The Supplier shall further be responsible for:
 - 6.3.5.1 defining the safety, operating and other procedures that will apply at the Supplier's premises, provided that such procedures shall at least comply with any RTMS minimum requirements;
 - 6.3.5.2 within 1 (one) month of the Signature Date of the Agreement, inducting and certifying Limestone Transporters into the safety, operating and other procedures applicable at the Supplier's premises, and enforcing such procedures, provided that;
 - 6.3.5.2.1 where Eskom is responsible for transportation of Road Limestone, the Supplier shall not change its induction requirements without providing Eskom with reasonable notice such that existing and new Limestone Transporters are able to undergo the new induction with minimal disruption to road operations;
 - 6.3.5.2.2 should the Supplier be unable to certify Eskom's Limestone Transporters within the requisite period as a direct consequence of the failure of the Eskom's Limestone Transporters to meet the required standards, it shall consult with Eskom in good faith to procure a solution within the 1 (one) month period; and
 - 6.3.5.2.3 the Supplier may elect to participate in a central induction conducted by Eskom's LLP;
 - 6.3.5.3 maintaining a minimum stock level of 3 (three) days so as to enable efficient planning of road transportation and loading of Road Limestone;
 - 6.3.5.4 notifying Eskom Logistics Planning office by telephone of any event or problem that could adversely impact the deliveries of Road Limestone as soon as is reasonably possible, and in any event, no later than 30 (thirty) minutes of the occurrence of any such event or problem, provided that such communication shall not absolve the Supplier from the responsibility of rectifying the problem within its area of responsibility;

- 6.3.5.5 taking all reasonable steps to deliver continuous improvement in all its activities that impact the overall efficiency of the transportation of Road Limestone;
- 6.3.5.6 the direct and proven costs of any damages to Eskom property caused by it or its agents.
- 6.3.6 The Supplier shall supply Eskom Logistics Planning office with the following additional information on request or as specified:
 - 6.3.6.1 daily status of all Road Limestone stock for Eskom, including stockpile names, tonnages and limestone quality of each stockpile; and
 - 6.3.6.2 the information for each Limestone Truck dispatched as listed in clause 9.4.

6.4 Eskom's responsibilities

- 6.4.1 Where Eskom is responsible for transportation of Road Limestone, it shall procure that sufficient Limestone Trucks are available to meet its Off Take obligations and procure that Limestone Trucks arrive at the Mine during the planned operating hours and rates as scheduled and agreed in terms of clauses 8.2.1 and 9.6.
- 6.4.2 Eskom shall ensure that any Limestone Transporter employed by it adheres to the applicable provisions of this **Annexe F** and a failure by any Limestone Transporter under Eskom's employ to adhere to any provision of this **Annexe F** shall be deemed to be a failure by Eskom. The Parties shall take all reasonable measures to resolve such failures before either Party may invoke the breach provisions contained in the Agreement.
- 6.4.3 Eskom shall, at its own cost provide, operate and maintain facilities and infrastructure for the unloading of Road Limestone at each receiving power station such that it can achieve the Target Truck Unloading Rate. Such facilities shall include:
 - 6.4.3.1 an access road and unloading area, suitable for operation under all normal weather conditions and with adequate lighting for safe operations at night;
 - 6.4.3.2 mass measuring equipment in accordance with clause 22 of the Standard Terms and Conditions of Limestone Supply; and
 - 6.4.3.3 an LWBAS which is integrated into the Eskom's Automated Weighbridge Solution.
- 6.4.4 Eskom shall further be responsible for:
 - 6.4.4.1 defining the safety, operating and other procedures that will apply at all Eskom premises, provided that such procedures shall at least comply with any RTMS minimum requirements;

- 6.4.4.2 within 1 (one) month of the Signature Date of the Agreement, inducting and certifying Limestone Transporters into the safety, operating and other procedures applicable at Eskom's premises, and enforcing such procedures, provided that:
- 6.4.4.2.1 where the Supplier is responsible for transportation of Road Limestone, Eskom shall not change its induction requirements without providing the Supplier with reasonable notice such that existing and new Limestone Transporters are able to undergo the new induction with minimal disruption to road operations; and
 - 6.4.4.2.2 should Eskom be unable to certify a Limestone Transporter within the above period as a direct consequence of the failure of the Limestone Transporter to meet the required standards, it shall consult with the Supplier in good faith to procure a solution within the 1 (one) month period;
- 6.4.4.3 Setting any safety procedures for the transportation of Road Limestone from the Mine to Eskom where safety considerations require standards and procedures above legal requirements;
- 6.4.4.4 Delivering continuous improvement in all Limestone Truck unloading operations; and
- 6.4.4.5 The direct and demonstrable costs of any damages to the Supplier's property caused by it or its agents.

7. MINIMUM REQUIREMENTS FOR TRANSPORTATION ARRANGED BY THE SUPPLIER

- 7.1 The Supplier shall, at its own cost and expense provide and operate Limestone Trucks suitable for transporting Road Limestone and which shall comply with the following requirements:
- 7.1.1 meet the minimum technical specifications for load capacity and configuration;
 - 7.1.2 be roadworthy at all times;
 - 7.1.3 be equipped with additional lights to ensure proper visibility from the rear in the event that the Limestone Transporter experiences problems keeping the standard lights clean. Where such lights are fitted, they should work on a separate electrical circuit;
 - 7.1.4 be equipped with an amber strobe light to be switched on in times of poor visibility; and
 - 7.1.5 have a means of verbal communication, e.g. 2-way radio, that is compatible with Eskom's communications systems as specified from time to time.
- 7.2 Each Limestone Truck must have an On-Board Computer ("OBC") and the Limestone Transporter's OBC system must comply with the following provisions:

- 7.2.1 OBC units shall be capable of recording the following information for the vehicle at a minimum of 5 (five) second intervals and transmitted at minimum 5 (five) minute intervals (via GPRS or better):
 - 7.2.1.1 vehicle ID,
 - 7.2.1.2 driver ID,
 - 7.2.1.3 vehicle speed via GPS (km/h),
 - 7.2.1.4 vehicle GPS position (latitude, longitude),
 - 7.2.1.5 engine speed [rpm],
 - 7.2.1.6 odometer reading (km),
 - 7.2.1.7 record date and time stamp (dd:mm:yyyy & hh:mm:ss),
 - 7.2.1.8 any other parameters that are deemed necessary by Eskom as specified in writing from time to time;
 - 7.2.2 OBC units must have 'store and forward' capability so that no data is lost and the Limestone Transporter must achieve a 99.5% (ninety nine point five percent) OBC operational uptime and more than 95% (ninety five percent) data quality;
 - 7.2.3 the Supplier shall ensure that the Limestone Transporter centrally warehouses the data listed above and make the said data accessible from its respective Fleet Management Service Provider (FMSP) to Eskom in a format and frequency determined by Eskom from time to time; and
 - 7.2.4 the Supplier shall cover all costs relating to OBC units including OBC initial and/ or rental costs, OBC installation, OBC maintenance, data communication costs, OBC insurance and FMSP services.
- 7.3 All Limestone Trucks shall be registered on Eskom's vehicle management system.
- 7.4 The Supplier shall ensure that all Limestone Trucks owned or sub-contracted to it are operated in compliance with the safety and environmental procedures as set out in clause 12.

8. PLANNING AND PERFORMANCE MANAGEMENT

- 8.1 The Parties record that Eskom is in the process of moving towards a centrally controlled, real-time vehicle scheduling system and Parties shall co-operate to ensure that such system is developed in such a way as to improve the efficiency and performance of Road Limestone transportation. Eskom reserves the right to conduct such central planning and control as may be required, and the Supplier and its Limestone Transporters shall comply with such procedures and controls. The Parties shall procure the requisite amendments to this agreement before Eskom commences with overall planning.

8.2 Until such time as a real-time vehicle scheduling system is in place, or unless agreed otherwise and in writing by the Parties, the planning of loading, unloading and road operations for the Limestone Transporters shall be subject to the following procedures:

8.2.1 the Parties shall agree the quantity of Road Limestone to be transported each day, the hours that the Mine and the Power Station shall operate their respective loading and unloading facilities, the Target Truck Loading Rate and Target Truck Unloading Rate (including the time loading and unloading is scheduled to commence each day) at the Technical Liaison Meetings subject to the following parameters:

8.2.1.1 the Supplier shall be responsible for loading Road Limestone and Eskom shall be responsible for unloading Road Limestone 24 (twenty four) hours a day and 7 (seven) days a week;

8.2.1.2 the Minimum Truck Loading Hours shall be [●]([●]) hours per month and the Target Truck Loading Rate shall be [●]([●]) Tons (As Received) per hour;

8.2.1.3 the Minimum Truck Unloading Hours shall be [●]([●]) hours per month and the Target Truck Unloading Rate shall be [●] ([●]) Tons (As Received) per hour;

8.2.1.4 Eskom reserves the right at its sole discretion to limit the hours that loading will take place on any day of the week provided that the hours available for loading do not fall below the Minimum Truck Loading Hours; and

8.2.1.5 Eskom shall then provide the Supplier with transport routes that shall be used by the Supplier's Limestone Transporters to the Power Station.

8.2.2 the Supplier and its Limestone Transporters shall conduct daily route planning in accordance with the allocated routes so as to achieve the delivery rates set out in clause 9.6 and advise Eskom of the scheduled Limestone Truck arrivals for each hour; and

8.2.3 the Supplier and its Limestone Transporters shall keep Eskom informed of any issues that could result in actual road transportation or unloading activities deviating from the daily plan and any failure shall be dealt with in terms of clause 11.

8.2.4 Eskom and the Supplier shall plan and perform their own loading and unloading operations in accordance with the operating hours and tonnages agreed in terms of clause 8.2.1;

8.2.5 the Parties shall inform Eskom or its LLP of problems in accordance with clause 6.3.5.4;

8.2.6 if required, Eskom shall then issue any changes to the plans in response to the reported problems; and

- 8.2.7 the Parties shall conduct regular planning and performance review meetings to inter-alia track, interrogate and improve performance of all activities related to the transportation of Road Limestone.
- 8.3 The Supplier shall further provide Eskom with the following information at the specified intervals or as requested from time to time:
- 8.3.1 location and infrastructure information e.g. depots, Truck Driver night time stopover points and fuelling stations;
 - 8.3.2 any deviations from planned routes e.g. going to fuel, truck in for service, truck broken down, as soon as they are known; and
 - 8.3.3 any other information relating to vehicle status or logistical operations required by Eskom from time to time and requested in writing.

9. LOADING AND UNLOADING OF ROAD LIMESTONE

- 9.1 The Supplier shall load Road Limestone into the Limestone Trucks within the tolerances for under-loading, overloading and even loading, and as amended from time to time by Eskom, provided that the Supplier shall only be obliged to comply with any amendment upon receiving prior written notice thereof.
- 9.2 The Supplier shall, at its own cost and expense, ensure that each Limestone Truck leaves the Supplier's premises with the Road Limestone covered with a tarpaulin.
- 9.3 Where the Supplier is responsible for transportation of Road Limestone, the Supplier shall ensure that the tarpaulin is secured in place with tamper-proof seal(s). Eskom will not accept Delivery of Road Limestone in the event that, upon arrival of the Limestone Truck at the Delivery Point, the seal(s) are not secured in place, absent or damaged.
- 9.4 The Supplier shall provide each Limestone Truck leaving the Supplier's premises with the information set out herein, send a copy of the same to Eskom, and maintain its own copy for a period of at least 5 (five) years. This information should be provided through the LWBAS, or electronically (e.g. via modem) in the event that the LWBAS is inoperable:
- 9.4.1 name/reference number of the stockpile from which the Road Limestone was loaded;
 - 9.4.2 empty mass of the Limestone Truck as measured on the Supplier's weighbridge;
 - 9.4.3 mass of Road Limestone that the Supplier intended to load into the Limestone Truck;
 - 9.4.4 full mass of the Limestone Truck as measured on the Supplier's weighbridge;
 - 9.4.5 derived load of the Limestone Truck, calculated as the full mass less the empty mass ("**Derived Load**");
 - 9.4.6 time weighed empty;

- 9.4.7 time departed;
- 9.4.8 rate of loading, calculated as the Derived Load divided by the difference between the time weighed empty and the time departed.
- 9.5 The Parties' Limestone Transporters shall follow all Eskom and/or the LLP's safe working procedures for loading and offloading.
- 9.6 The Parties' Limestone Transporters shall maintain an even rate of arrivals of Limestone Trucks at the Power Station, at or above the Target Truck Unloading Rate for all hours of unloading each Day, unless agreed otherwise.
- 9.7 Eskom shall maintain an even Actual Truck Unloading Rate that is above the Target Truck Unloading Rate for all hours of unloading, unless agreed otherwise (at the operational level).

10. PERFORMANCE MANAGEMENT OF LOADING AND UNLOADING OF LIMESTONE TRUCKS

- 10.1 Where a Supplier's average Actual Truck Loading Rate for any day falls below the Target Truck Loading Rate/1.3, the Supplier shall pay Eskom a penalty:

$$PL = \left(\frac{TLR}{1.3} - ALR \right) \times PLH \times PR$$

where:

- PL* is the penalty for loading delays for that day in Rand,
- TLR* is the Target Truck Loading Rate,
- ALR* is the Actual Truck Loading Rate for that day,
- PLH* is the number of planned truck loading hours for that day, and
- PR* is the Penalty Rate in Rand per ton as determined in clause 10.3.

- 10.2 Where Eskom's average Actual Truck Unloading Rate for any Day falls below the Target Truck Unloading Rate/1.3, Eskom shall pay the Supplier a penalty:

$$PU = \left(\frac{TUR}{1.3} - AUR \right) \times PUH \times PR$$

where:

- PU* is the penalty for unloading delays for that day in Rand,
- TUR* is the Target Truck Unloading Rate,
- AUR* is the Actual Truck Unloading Rate for that day,
- PUH* is the number of planned truck unloading hours for that day, and
- PR* is the Penalty Rate in Rand per ton as determined in clause 10.3.

- 10.3 The Penalty Rate shall be determined in the Eskom Limestone Haulage Rates Model each month, based on the fixed costs per Ton of Road Limestone for a typical Limestone Transporter and Eskom shall notify the Supplier of the Penalty Rate within 5 (five) days of the start of each month.

- 10.4 The Parties shall further measure the Truck Turnaround Time (TAT) of each Limestone Truck loaded or unloaded and the number of Trucks queuing at the Parties' weighbridges, measured every half hour. Where reasonably possible, the Supplier shall supply such information to Eskom in electronic format on a real time basis. The Parties shall monitor such TATs and queue lengths with the objective of ensuring that queue lengths are minimized, and that there is continuous improvement in the TATs and Actual Truck Loading Rates.
- 10.5 Where Eskom requests the Supplier to load at a rate above the Target Truck Loading Rate, the Supplier shall be entitled to recover from Eskom all reasonable direct costs actually incurred for such loading, provided that it shall be required to provide written proof of such costs.
- 10.6 Where the Supplier requests Eskom to unload at a rate above the Target Truck Unloading Rate, Eskom shall be entitled to recover from the Supplier all reasonable direct costs actually incurred in for such loading, provided that it shall be required to provide written proof of such costs.

10.7 Accurate loading of Limestone Trucks

- 10.7.1 The Supplier shall load all Limestone Trucks in accordance with the following requirements:
- 10.7.1.1 all Road Limestone loading operations shall comply with applicable legislation;
 - 10.7.1.2 no Limestone Truck shall be over-loaded such that it will exceed its Permissible Maximum Combination Mass;
 - 10.7.1.3 the Supplier shall endeavour to ensure that no Limestone Truck shall be under-loaded such that it leaves the Supplier's premises loaded at less than 98% (ninety eight percent) of its Permissible Maximum Combination Mass; and
 - 10.7.1.4 Eskom or the Supplier shall be responsible to procure that each Limestone Truck contains sufficient fuel for its journey to the designated Power Station before the commencement of loading, and the Supplier shall be entitled to assume that any Limestone Truck presented for loading contains sufficient fuel.
- 10.7.2 The Supplier shall take all reasonable steps to prevent a Limestone Truck that is over-, under- or unevenly loaded from leaving its premises. Where the Supplier fails to load a Limestone Truck in terms of clause 10.7.1, the Supplier shall be required to add or remove Road Limestone in order to meet the required loading tolerances, and to re-weigh the Limestone Truck.
- 10.7.3 The permissible maximum percentage of under loaded Limestone Trucks in any month shall be 4% (four percent) of all Limestone Trucks Loaded by the Supplier.

11. MANAGEMENT OF THE SUPPLIER'S LIMESTONE TRANSPORTERS

- 11.1 The Supplier shall ensure that its Limestone Transporters adhere to all safety and environmental provisions as set out in clause 12 and to any routing and scheduling instructions issued by Eskom or its LLP.
- 11.2 Any failure by the Supplier's Limestone Transporter to adhere to these provisions ("**Failure**") shall result in the following actions:
- 11.2.1 in the event of the first Failure in any 6 (six) month period, the Limestone Transporter shall, within 5 (five) days of the offence, present Eskom with rectification plan;
 - 11.2.2 in the event of a second Failure within any 6 (six) month period, where a suitable rectification plan is not submitted, where a Truck Driver is found to be driving under the influence of alcohol, or where a Truck Driver is caught over-taking, the Limestone Transporter shall suspend the Truck Driver for a period of the lesser of 5 (five) days or as the Limestone Transporter is able to show proof that it has taken appropriate action; and
 - 11.2.3 in the event of a third Failure within any 6 (six) month period, or where the Limestone Transporter has not complied with the provisions of 11.2.2, Eskom reserves the right to prevent any vehicles owned or operated by the offending Limestone Transporter from entering Eskom premises and the Supplier or Eskom shall be required to terminate the employ of the Limestone Transporter for a period of not less than 6 (six) months. Such termination shall not absolve the Supplier of any of its obligations in terms of the Agreement.

12. SAFETY AND ENVIRONMENTAL PROVISIONS APPLICABLE TO THE TRANSPORTATION OF ROAD LIMESTONE

- 12.1 The Supplier shall ensure that any Limestone Transporter transporting Road Limestone to Eskom under its employ complies with the following provisions and delegates authority to Eskom or its LLP to take the actions set out in clause 11.2 directly against any Limestone Transporter that fails to comply.
- 12.2 General provisions**
- 12.2.1 Limestone Trucks must be clearly identified with a truck identification number and phone number of the contracting company. The company name and the information above should be marked and clearly displayed on all Limestone Trucks as per Eskom's requirements as amended in writing from time to time.
 - 12.2.2 Limestone Trucks must at all times display a printed page in the front left corner of the windscreen, or other such location as specified by Eskom in writing from time to time showing:

- 12.2.2.1 the source of Road Limestone;
 - 12.2.2.2 the route to be used;
 - 12.2.2.3 the planned destination;
 - 12.2.2.4 the name of the Transporter holding the contract with the Supplier; and
 - 12.2.2.5 the Permissible Maximum Combination Mass; and
 - 12.2.2.6 Truck Drivers must have waybills ready for presentation on request from any road authority or Eskom representative.
- 12.2.3 Truck Drivers should use the roads assigned by Eskom and/or its LLP. No deviation from the allocated route will be permitted unless approved by Eskom's LLP.

12.3 Safety

- 12.3.1 Limestone Transporters are responsible for ensuring that all their operations, employees and sub-contractors comply with all applicable Eskom, RTMS, Mine and legislated safe working practices, including:
- 12.3.1.1 all Truck Drivers must hold valid driver's licenses;
 - 12.3.1.2 Truck Drivers must be sober, healthy and fit at all times;
 - 12.3.1.3 Limestone Transporters must monitor their Truck Drivers' working hours in order to prevent fatigue;
 - 12.3.1.4 all Truck Drivers must have a Public Driver Permit and an induction card from Eskom or its LLP in order to access Eskom Power Stations and Mines;
 - 12.3.1.5 all Limestone Transporters' owners must attend Eskom's LLP driver inductions; All Limestone Transporters must comply with Eskom's LLP Safety Pack; and
 - 12.3.1.6 no passengers may travel in Limestone Trucks.
- 12.3.2 Limestone Trucks must adhere to all public road requirements, with special regards to staying within the speed limit and obeying traffic rules, traffic signs and temporary warning signs (e.g. red flags when farmers move cattle or equipment).
- 12.3.3 Limestone Trucks shall not be driven at speeds in excess of 80km/h (eighty kilometres per hour) under any circumstances. On untreated dirt roads the maximum speed limit is 40km/h (forty kilometres per hour) and speed must be reduced in the event of hazardous conditions (e.g. rain, cattle crossings).
- 12.3.4 Limestone Trucks must maintain an adequate following distance of at least 75 (seventy five) meters to allow other vehicles to overtake, one truck at a time.

- 12.3.5 Transporting of Road Limestone shall be halted at times when thick mist and/or fog are present. (e.g. Typical Highveld early morning conditions). In these situations, Limestone Trucks must park at a safe place and not simply pull over to the side of the road.
- 12.3.6 Truck Drivers must switch on headlights in poor visibility i.e. fog, dust and mist and at least 30 (thirty) minutes before sunset and switch off 30 (thirty) minutes after sunrise.
- 12.3.7 Truck Drivers must not drive with 'main beam' lights ('brights') on during normal daylight conditions.
- 12.3.8 All Truck Drivers shall take extra care during the hours at which shift changes take place at the mines, and at times of other peak traffic conditions on their particular routes.
- 12.3.9 Truck Drivers must report dangerous road conditions immediately to the designated Eskom person, who will communicate such conditions to all other drivers.
- 12.3.10 Truck Drivers may not stop and buy any items sold by the side of the roads, such as meat, mealies, etc. unless an adequate road shoulders allows for safe stopping and parking of Limestone Trucks.
- 12.3.11 Truck Drivers must take extra precautions when stopping in towns in order not to disrupt the normal flow of traffic. Such precautions shall include not blocking entrances to private and public premises.
- 12.3.12 Refresher driver training must be done each Quarter with a qualified driving instructor.
- 12.3.13 Each Limestone Transporter must conduct monthly random alcohol testing on its Truck Drivers and submit monthly reports to Eskom Safety Representatives, its LLP or directly to Eskom when requested.
- 12.3.14 Truck Drivers must report bad behaviour (use of drugs, overtaking, not using safety belt etc) by other Trucks Drivers on the road to the Eskom LLP Control Centre/ designated Eskom person.
- 12.3.15 Truck Drivers must attend all Eskom recommended training and provide proof that such training has been completed on time.
- 12.3.16 The Limestone Transporter must act on speeding reports from Eskom's LLP and demonstrate that it has taken appropriate action within two days of receipt. Limestone Transporters shall keep records of same.
- 12.3.17 The Limestone Transporter must conduct weekly inspections on its Limestone Trucks observations of driver behaviour, and submit weekly reports to Eskom's safety reps, Eskom's LLP or directly to Eskom when required.
- 12.3.18 Truck Drivers must act safely and be courteous, respectful and aware of other road users at all times.

12.4 Eskom's life-saving rules of Road Limestone transportation

- 12.4.1 The Limestone Transporter must ensure that all its Truck Drivers are aware of, and comply with all Eskom's Road Limestone transportation cardinal rules as set out in this clause 12.4.
- 12.4.2 The life-saving rules must form part of the Truck Driver's employment contract, the daily driver's Limestone Truck inspection sheet, must be kept by each Truck Driver in the Limestone Truck and must be signed each week by the Truck Driver. The Truck Driver must be able to present such signed copy to Eskom's LLP and/ or Eskom at any time when requested to do so.
- 12.4.3 The life-saving rules are:
 - 12.4.3.1 "Ensure vehicle road worthiness"
 - 12.4.3.2 "Buckle up"
 - 12.4.3.3 "No over speeding allowed"
 - 12.4.3.4 "No overloading allowed"
 - 12.4.3.5 "No overtaking of other trucks allowed"
 - 12.4.3.6 "Must sober up"

12.5 Accidents and breakdowns

- 12.5.1 In the event of a breakdown of a Limestone Truck, the Truck Driver shall place proper warning signs at least 50m (fifty metres) in front and behind the Limestone Truck.
- 12.5.2 The Limestone Transporter shall report all road accidents where its Limestone Trucks have been involved to the Supplier's Mine Manager and Eskom's LLP safety officials.
- 12.5.3 The Limestone Transporter shall report any fatal accidents in writing to the Senior General Manager (Primary Energy) via Eskom's LLP Safety Manager, Eskom's LLP General Manager, Eskom Logistics Management at Eskom Megawatt Park, Maxwell Drive, Sunninghill, within 24 (twenty four) hours and such notice shall be copied to the persons listed in clause 12.5.2 above.
- 12.5.4 The Limestone Transporter must complete an accident investigation report within 5 (five) days from date of any accident where there were injuries and/or fatalities and send such report to Eskom's LLP.
- 12.5.5 In the event of a fatality, the Limestone Transporter shall present its findings to Eskom and Eskom's LLP and shall commit to take appropriate preventative actions within agree timeframes dates before being permitted to resume transport operations.

12.6 Environmental and spillages

- 12.6.1 The Limestone Transporter shall take full responsibility for all environmental aspects relating to the transportation of Road Limestone en route from the loading site to the off-loading site.
- 12.6.2 Where areas of road noise pollution have been identified, the Limestone Transporter shall adhere to such special measures as required (e.g. reduce speed to 40km/h (forty kilometres per hour); as far as possible, not change gears within the indicated area).
- 12.6.3 The Limestone Transporter shall solely be responsible for cleaning any Road Limestone spillage as soon as possible, but in any event within 3 (three) working days of the occurrence of such spillage.