



KUSILE POWER STATION

PERSONNEL, ACCOMMODATION AND INDUSTRIAL RELATIONS

Part 3

Annexure X.6

Rev 4_0121

INTRODUCTION

This ANNEXURE X.6 [*Personnel, Accommodation and Industrial*] is divided into the following sub-sections:

1. ANNEXURE X 6.1: General Provisions;
2. ANNEXURE X 6.2: Accommodation;
3. ANNEXURE X 6.2.1: Accommodation – *Contractors' Village* Policy; and
4. ANNEXURE X 6.3: Industrial Relations Policy.

ANNEXURE X 6.1

GENERAL PROVISIONS

1. Competence Testing of *Contractor's* Personnel

Contractor's Personnel employed at the Project Site (or at other places, if any, as may be specified under the Contract as forming part of the Site) for any semi-skilled or skilled operation is tested by the *Project Manager* at any time at the Project Site. This may include, at the *Project Manager's* discretion, the actual performance of the operation and/or training and testing related to performance of the operation. The *Project Manager* reserves the right to prevent any person from carrying out any operation that such person is not fit or qualified to perform. The satisfactory passing of the induction operation test requirements will result in the certification of the *Contractor's* Personnel to perform that specific operation on the Project Site (and/or at such other places, if any, as may be specified under the Contract as forming part of the Site). This certification does not reduce in any way the *Contractor's* responsibilities to perform the Works as per the Contract requirements, including in a safe manner. The certification may be revoked by the *Project Manager* if such person ceases to be fit or qualified to perform the work in question at any time.

2. Anti-poaching Undertaking

The *Contractor* does not recruit or attempt to recruit staff and labour from amongst the personnel of Other Project Contractors during the execution of the Project Works. This restriction shall not, however, prevent the *Contractor* from recruiting a person where:

- 2.1 that person has been demobilised or the employment of that person has been terminated for any reason other than by resignation;
- 2.2 the person has resigned and a period of 90 days has lapsed from the date of resignation; or
- 2.3 the person has been released by the Other Project Contractor for employment by the *Contractor* (evidenced by written confirmation to this effect by the Other Project Contractor).

Notwithstanding the above, if a person has been dismissed by any other Project Contractor for misconduct or for poor performance, he is not employed by the *Contractor* on the Project Site (or at any other places, if any, as may be specified under the Contract as forming part of the Site) without the prior approval of the *Project Manager*.

3. Transportation of *Contractor's* Personnel

Due to the remoteness of the Project Site, the *Contractor* is required to provide suitable mass transportation facilities to and from the Project Site (and/or to and from other places, if any, as may be specified under the Contract as forming part of the

Site) for *Contractor's* Personnel, particularly for unskilled and semi-skilled workers.

The *Employer* provides a bus loading and unloading area and bus parking outside the Project Site entrance for the *Contractor's* use. An unloading area for the *Contractor's* Personnel at the *Contractor's* yard is permitted by prior arrangement with, and subject to the approval of the *Project Manager*.

Without limiting the *Contractor's* other obligations under the Contract relating to transport of persons, the *Contractor* ensures that *Contractor's* Personnel are transported only in licensed and roadworthy vehicles, driven by licensed drivers, which are fit for purpose, properly maintained and which comply with applicable Law as a minimum. Transport of *Contractor's* Personnel in the back of trucks, tractors or light delivery vehicles is strictly prohibited.

4. Canteen

The *Employer* will provide a Project Site canteen.

The canteen makes available a mid-shift meal during the established break period. As per ANNEXURE X 6.2 of these *Employer* Policies and Procedures, the mid-shift meal for the *Contractor's* unskilled and semi-skilled workers who are residents of the *Contractors' Village* is provided at the cost of the *Employer*. In order to ensure uniformity of meal benefits, the *Employer* provides the same meal for the *Contractor's* other unskilled and semi-skilled workers at the Project Site, at the cost of the *Contractor*. Distribution of the meal service is at staggered periods at the meal services building on the Project Site (and, as the Project Works progress, at several temporary meal stations at various locations on the Project Site) to minimise the duration of the meal period.

All other foodstuffs supplied by the Project Site canteen are charged for in the ordinary course and is for the account of the *Contractor* or *Contractor's* Personnel (as may be arranged between them).

No other food or beverage services are allowed on the Project Site unless approved by the *Project Manager*.

5. Project Site Induction Programme

The *Employer* provides a generic Project Site induction program for personnel and visitors to the Project Site. This program includes, as appropriate, information regarding identification and access, work rules, environmental protection, industrial relations, health & safety, Project information, and miscellaneous Project Site-specific requirements. All persons entering the Project Site are required to attend induction training and to attend repeat induction training as appropriate. The induction training is expected to take up one full day. *Contractor's* Personnel are in possession of a valid identification card (as provided for in ANNEXURE X.4 [Site Regulations & General Requirements] of these *Employer* Policies and Procedures) in order to undergo induction training.

The provision of a Project Site induction program by the *Employer* does not,

however, relieve the *Contractor* of his obligation to ensure that *Contractor's* Personnel and visitors receive appropriate induction training and the *Employer* assumes no liability by providing induction training.

6. Medical Facilities

The *Employer* provides a trauma and rescue medical facility at the Project Site to provide initial medical treatment to Project Site personnel. The facility is staffed with professional medical personnel. These personnel are on the Project Site when significant construction operations are in progress. The *Contractor* is responsible for all emergency transportation including ambulances and helicopters.

All such facilities and related services are, however, provided on a good Samaritan basis and not as a contractual obligation and the *Contractor* assumes full responsibility and liability for the medical facilities and requirements of the *Contractor's* Personnel. The *Contractor* likewise assumes full responsibility and liability for the use of *Employer* provided facilities for or by the *Contractor's* Personnel and the *Contractor* is liable for all charges levied in connection with such services. Without derogating from the *Contractor's* Indemnity in favor of the *Employer*, the *Contractor* indemnifies and holds harmless the *Employer* and *Employer's* Personnel from and against any claim or liability arising out of the use of such *Employer* provided facilities and/or the resultant services for illnesses or injuries to any such *Contractor's* Personnel, or arising out of or allegedly attributable in any way thereto.

7. Substance Abuse Testing

There is zero tolerance for substance abuse at the Project Site (and at other places, if any, as may be specified under the Contract as forming part of the Site).

Throughout the Works at the Project Site (and/or to other places, if any, as may be specified under the Contract as forming part of the Site), periodic seminars and instruction programs are given by the *Project Manager* on the recognition of the characteristics, behaviors, detection, and reporting of substance abuse and persons fitness for duty. All *Contractor's* supervisory personnel, (including superintendents and foremen), and other key *Contractor's* Personnel involved at in the Works at the Project Site (and/or to other places, if any, as may be specified under the Contract as forming part of the Site) are required to attend this training and the *Contractor* makes *Contractor's* Personnel available for and encourage their participation in these programs.

Any person who is, or appears to the *Project Manager* to be, under the influence and/or has failed or refused to submit to a substance abuse test is refused access to the Project Site. If such person is *Contractor's* Personnel, the *Contractor* takes necessary steps against such person (including disciplinary action, where appropriate, and the removal of the person from the Project Site or from other places, if any, as may be specified under the Contract as forming part of the Site).

Being "under the influence" includes the presence of drugs or alcohol in a person's system (whether detectable through behavior and/or testing) to the extent the

person's facilities are in any way impaired and/or to the extent the person is unable to perform work in a safe and productive manner. Insofar as the consumption of alcohol is concerned, alcohol levels in the blood in excess of 0.02 percent are considered as being under the influence. Without limitation, persons are likewise considered to be under the influence where the presence of drugs or alcohol corresponds to or exceeds accepted medical standards or those prescribed under applicable Laws.

The *Project Manager* is entitled to conduct random testing of any person at the Project Site (or at other places, if any, as may be specified under the Contract as forming part of the Site) and/or require the *Contractor* to test any *Contractor's* Personnel suspected of being under the influence of any substance or suspected of being in possession of alcohol or drugs.

The *Contractor*, at his cost, put in place measures (including all required testing capabilities) necessary to ensure compliance herewith. The measures to be employed by the *Contractor* include a drug detection and prevention program which includes, but not be limited to, the following:

7.1 Pre-Assignment Testing:

Contractor's Personnel at the Project Site passes a pre-assignment drug screening / alcohol test. This pre-assignment test is undertaken within ten days prior to reporting for work to the Project Site. *Contractor's* Personnel are only permitted initial access to the Project Site against evidence of this test having been passed and such person having been certified drug / alcohol free to the *Project Manager's* satisfaction. *Contractor's* Personnel who visit the Project Site on a short-term basis (being not longer than 14 days unless otherwise approved by the *Project Manager*) are not subject to this pre-assignment drug testing requirement.

7.2 Continuing Random Drug Testing

The *Contractor* conducts periodic unannounced (random) testing at the Project Site (and at other places, if any, as may be specified under the Contract as forming part of the Site) at least once each month. The date of such testing is selected using a means that, to the *Project Manager's* satisfaction, randomly selects the date within the time frame specified, so that the date is unpredictable to the potential subject of the testing.

Contractor's supervisory personnel at the Project Site (and at other places, if any, as may be specified under the Contract as forming part of the Site) are not informed of the date of testing and the selected *Contractor's* Personnel are not notified until the morning of the selected day.

Contractor's Personnel to be tested are selected using a means which, to the *Project Manager's* satisfaction, randomly selects the number of subjects (10% minimum per month) from among the pool of all *Contractor's* Personnel actually at the Project Site (and at other places, if any, as may be specified under the Contract as forming part of the Site). Possible subjects includes all

Contractor's Personnel present at the Project Site (and at other places, if any, as may be specified under the Contract as forming part of the Site) on the day selected for random testing, including those who have been selected for testing on previous occasions. The subjects are identified by a unique and individual identification number. It is therefore conceivable that an individual could be selected to undergo testing more than one time in any given period.

Testing, as a minimum,

- 7.2.1 comprise onsite enzyme immunoassay screening and/or colorimetric alcohol saliva screening; and
- 7.2.2 include for cocaine, opiates, amphetamines, and marijuana.

The *Contractor* is required to confirm all positive tests by gas chromatography / mass spectrometry laboratory analysis (or by other means acceptable to the *Project Manager*).

The *Contractor* provides regular updates of these random tests to the *Project Manager*. All positive tests are reported to the *Project Manager* immediately and in writing. Evidence that *Contractor's* Personnel has passed a substance test is provided to *Project Manager* within three days of completion of the test.

ANNEXURE X 6.2

ACCOMMODATION

1. ~~Accommodation for Unskilled and Semi-Skilled Workers~~

~~The Employer provides accommodation for Contractor's unskilled and semi-skilled workers as indicated in the Accommodation Requirement Form [IA-2/1A]. Accommodation for unskilled and semi-skilled workers is provided, at the Employer's cost, on the basis detailed below.~~

~~Should the tenderer require accommodation provided by the Employer, the tenderer completes and submit the attached Accommodation Requirement Form [IA-2/1A] to indicate his requirements (specifically indicating the duration of his accommodation requirements in each instance). Tenderers are, however, advised that Employer provided accommodation is limited and there is accordingly no guarantee that tenderers' accommodation requirements can be fully met by the Employer. Tenderers accordingly ensure that their accommodation requirements are reasonable and that the use of local labour for the Works is maximised.~~

~~The Contractor, within 28 days of the Contract Date, and thereafter on a quarterly basis, provide the Employer with an updated accommodation forecast schedule consistent with the Accommodation Requirement Form [IA-2/1A] or otherwise as approved by the Project Manager. The forecast schedule includes all the Contractor's accommodation requirements. The Employer does not bind itself to accept any revised requirements.~~

~~Unskilled and semi-skilled worker accommodation is provided in a Contractors' Village which is situated approximately 15 km from the Project Site, near Kendal. There may be more than one Contractor's Village for the Project; but if this is the case (and unless the exigencies of the Project or the Works require otherwise) all Contractor's Personnel (unskilled and semi-skilled) entitled to accommodation are accommodated in the same Contractor's Village. The accommodation may be temporary, in the form of prefabricated or similar units. A typical layout of a village residential unit is attached to this ANNEXURE X 6.2. The general guidelines for this accommodation are as follows:~~

Guidelin				
Type	Max Pers./ Room	Max Pers./ Unit	Approx m ² per person	Remarks
Temporary	2	4 – 6	8.0m ² – 10m ²	Ablution included. Canteen & recreation facilities provided on the premises.

Initially, where accommodation is in short supply, more single workers may be accommodated per room than indicated.

Only non local workers may reside in Employer provided accommodation. For the purpose hereof “non local workers” means persons who, to the satisfaction of the Project Manager, are not ordinarily resident within a 40 km radius of the Project Site. Furthermore, only persons engaged in work at the Project Site (and/or at other places, if any, as may be specified under the Contract as forming part of the Site) may reside at the Contractors’ Village. Spouses, partners or other family members of workers are not permitted to reside thereat (although such persons may be permitted short term residence at a prescribed guest area at the Contractors’ Village at the discretion of the Project Manager). The foregoing does not however constitute a restriction on the Contractors’ Village being used by persons engaged in works other than the Project Works as may be arranged between the Employer and third parties.

As part of the Contractors’ Village accommodation benefits, the Employer provides 3 (three) meals a day for resident workers. Meals are provided in the proximity of the living quarters except that the mid-shift meal will, on working days, be provided on the Project Site.

The Employer provides a bus loading and unloading area and bus parking for the Contractor’s use outside the entrance to the Contractors’ Village.

Use of and access to the Contractors’ Village is subject to the rules and regulations set out in ANNEXURE X 6.2.1 [Accommodation: Contractors’ Village Policy] of these Employer Policies and Procedures.

2. Accommodation for Skilled Workers

The Contractor provides for the Contractor’s other accommodation requirements including for artisans, technicians, professionals and management.

ACCOMMODATION ATTACHMENT

Accommodation Requirements

Form Reference IA-2/1 A

	Indicate requirement by supplying:	Month 1 ¹	Month 2	Month 3	Month 4	Month x (continued) ²
Unskilled and semi-skilled workers (Single)	Number of staff					

¹ Month 1 refers to the first month after the Contract Date.

² Complete schedules to Contract Completion Date.

ACCOMMODATION ATTACHMENT

Contractors' Village - Typical Unit Layout



ANNEXURE X 6.2.1

ACCOMMODATION

Contractors' Village Policy

1. Definitions

The following additional definitions are referred to in the interpretation of this *Contractors' Village Policy* ("this Policy"):

- 1.1 "Common Areas" - means those areas at the *Contractors' Village* (including in the buildings situated thereon) which are designated or otherwise intended for shared use by some or all of the residents of the *Contractors' Village* from time to time (as determined, in the event of any dispute, by the *Project Manager*);
- 1.2 "Contractor's Residents" - means Contractor's Personnel who reside in the *Contractors' Village* from time to time and includes any other persons residing in the *Contractors' Village* by virtue of any relationship with the *Contractor*;
- 1.3 "Designated Accommodation" – means the accommodation (in the form of prefabricated bungalows or otherwise) provided by the *Employer* under the Contract at the *Contractors' Village* and assigned for use by the *Contractor's Resident* from time to time;
- 1.4 "Land & Service Charges" - means all assessment rates and taxes and similar charges of whatever nature payable to any local or governmental or other authority in connection with the *Contractors' Village* and/or the Designated Accommodation (except penalties or the like levied by reason of the *Contractor's* or *Contractor's Resident's* default) and all charges payable to any local or governmental or other authority in respect of the supply of electricity, water, gas and other utilities (if any) consumed on or about the *Contractors' Village* and the Designated Accommodation, including all deposits (if any) payable to the authority concerned in respect of such service charges;
- 1.5 "Residence Termination Date" - means, in respect of each *Contractor's Resident*, the earlier of:
 - 1.5.1 the last day of the period specified in the relevant booking-in form referred to in **paragraph 3.3** below or such extended or other date approved by the *Project Manager*; or
 - 1.5.2 24 hours after the withdrawal by the *Project Manager* of his approval as provided for in **paragraph 2.2** below.

2. Introduction

- 2.1 The right of a *Contractor's* Resident to reside in the *Contractors' Village* is approved by the *Project Manager* pursuant to *Employer Policies and Procedures, ANNEXURE X 6.2: Accommodation*, read with this Policy. Subject to such approval the *Contractor* shall have legal authority to give permission to *Contractor's* Personnel (but not to any such person's spouse, partner and/or other family members or any other person) to reside in the *Contractor's* Designated Accommodation and make use of the applicable Common Areas. To the extent the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act 19 of 1998 ("PIE Act") and/or Extension of Security of Tenure Act 62 of 1997 ("ESTA") applies to the Designated Accommodation, the *Contractor* and is a "person in charge" as defined therein.
- 2.2 The *Project Manager* may, on written notice to the *Contractor*, withdraw the approval given in respect of:
- 2.2.1 any *Contractor's* Resident who is removed from the Project Site (or from any other places, if any, as may be specified under the Contract as forming part of the Site)
- 2.2.2 any *Contractor's* Resident who ceases to be *Contractor's* Personnel or who is no longer engaged in the Works;
- 2.2.3 any *Contractor's* Resident if the Accommodation allocated for use by him is destroyed or damaged so as to render it untenable (without, however, derogating from the obligation of the *Employer* to provide alternative accommodation for the said *Contractor's* Resident to the extent the *Employer* is required to do so under the Contract);
- 2.2.4 all or any *Contractor's* Residents if the Contract is terminated and/or if the *Contractor* fails to comply with a notice requiring the *Contractor* to make good a failure under this Policy; and/or
- 2.2.5 any *Contractor's* Residents if the Accommodation is otherwise no longer required (whether temporarily or otherwise) for the purpose of the Works.
3. General Rules for the Use of and Access to the Accommodation
- 3.1 The Designated Accommodation is used solely for residential purposes.
- 3.2 The *Contractor* complies with such rules and regulations (in addition to those detailed in the Policy) as may be prescribed by the *Project Manager* from time to time in connection with the Accommodation. The *Contractor* likewise procure that each *Contractor's* Resident complies with such rules and regulations and with the obligations of the *Contractor* under this Policy. In this regard the *Contractor* is advised that the rules and regulations provides for the appointment of a "Village Manager" who is charged with the day to day administration of the *Contractors' Village*.
- 3.3 Booking-in forms are required to be signed by both the *Contractor* and the

Contractor's Resident before access will be given to the Contractors' Village and the Designated Accommodation. The booking-in form is submitted in the form subscribed by the *Project Manager*. Occupation of the Designated Accommodation is only taken on the date specified in the relevant booking-in form and endures until the Residence Termination Date.

- 3.4 *Contractor's* Residents are entitled to the use of the Common Areas. The *Employer* furthermore provides the amenities and services detailed in **paragraph 4** below. These amenities and services and the Common Areas are, however used concurrently by some or all residents of the Contractors' Village and the *Contractor's* Residents shall accordingly not make unreasonable demands thereon. The *Contractor* is responsible for the provision of other goods, amenities and services, if any, required by *Contractor's* Residents. Any such *Contractor* provided facilities and services are, however, to the satisfaction of the *Project Manager* and the provision or cessation of such *Contractor* provided facilities or services, and the erection, installation and removal thereof and/or of related equipment, requires the *Project Manager's* approval.
- 3.5 The *Contractor* ensures that the *Contractor's* Residents:
- 3.5.1 keep the Designated Accommodation in a neat, clean and tidy condition (save to the extent provided for under **paragraph 4** below);
 - 3.5.2 not interfere with the electrical installation or any other installation or equipment in or servicing the Designated Accommodation and not change or overload the electrical system or any other service;
 - 3.5.3 not attach to the walls, ceilings or any part of the Designated Accommodation any fittings or equipment and do not damage the walls, ceilings or any other portion of the Designated Accommodation;
 - 3.5.4 not leave or store motor vehicles, motorcycles, bicycles, packing cases or other goods or articles of any description whatsoever in areas other than those specifically allocated for this purpose (in which areas no unreasonable accumulation of any goods or articles are made or permitted) or otherwise cause any obstruction in Common Areas;
 - 3.5.5 not use any Common Areas for any purpose other than that for which the Common Area concerned is designated or specifically intended to be used;
 - 3.5.6 take reasonable steps to prevent the blockage of any sewer, water pipe or drain in or resulting from the Designated Accommodation;
 - 3.5.7 not litter or damage in any manner any part of the *Contractor's* Village;
 - 3.5.8 not do or permit, or do anything in or upon the Designated Accommodation or any part thereof which may cause or be a nuisance or annoyance to other residents of the *Contractors'* Village or neighbours generally;

- 3.5.9 comply with all Laws applicable to the Contractors' Village and the Designated Accommodation;
- 3.5.10 not install any floor covering, lighting, plumbing, fixtures or shades or make any change to the Designated Accommodation or any Common Area, install any window covering, awning, blinds or light device on or adjacent to the Designated Accommodation or any window of the Designated Accommodation nor otherwise effect any improvements, alterations or additions to the Designated Accommodation or any part of the Contractors' Village without the prior approval of the *Project Manager* (and any improvements, alterations or additions which may be effected with or without the approval of the *Project Manager* and unless otherwise agreed in writing) becomes the property of the *Employer* and neither the *Contractor* nor any of the *Contractor's* Residents are entitled to the payment of any compensation in respect thereof); and
- 3.5.11 unless the *Project Manager* otherwise agrees in writing, not remove any such improvements, alterations or additions from the Designated Accommodation or the Contractors' Village (provided that, notwithstanding the foregoing, the *Project Manager* may require the *Contractor* to remove any improvements, alterations or additions effected thereto and to reinstate same to its original condition and to make good all damage occasioned by such removal).

4. *Employer Provided Amenities and Services*

4.1 Security and Access Control

- 4.1.1 The Contractor's Village is fenced. The *Employer* provides perimeter security and access control for the Contractor's Village. Access control is implemented 24 hours a day at all entrances and security personnel, in addition, conduct random patrols in the village itself.
- 4.1.2 All persons entering or exiting the Contractor's Village are subjected to searches and the *Employer* reserves the right to refuse entrance to the Contractor's Village to any person not meeting security and/or access requirements. No parking facilities are available inside the Contractor's Village and vehicles are accordingly not allowed entry (except in emergency circumstances or otherwise by prior arrangement with the *Project Manager* or the Village Manager).
- 4.1.3 *Contractor's* Residents must be in possession of a valid identification card supplied by the *Employer* to gain access to the *Contractor's* Village. Applications for identification cards are made in the form prescribed by the *Project Manager*. Lost, stolen or damaged cards are reported to the *Project Manager* immediately. A fee is charged for replacement cards.
- 4.1.4 The *Project Manager* may remove from the *Contractor's* Village any person who poses a risk to security or to the health and safety of persons

at the *Contractor's* Village. If such person was permitted access as a *Contractor's* Resident or as a visitor of a *Contractor's* Resident, the *Contractor*, at the request of the *Project Manager*, take all steps necessary to procure his removal from the *Contractor's* Village.

- 4.1.5 Fire-arms are not permitted on the *Contractor's* Village. This restriction does not, however, apply to the South African Police Services in the pursuance of official duties.

4.2 Canteen and Meals

The *Employer* provides a canteen at the *Contractor's* Village which provides meals for *Contractor's* Residents as stated elsewhere in the Contract. No other food or beverage services are allowed on the *Contractor's* Village unless approved by the *Project Manager*.

4.3 Furniture and Housekeeping

The *Employer* provides basic furniture, curtaining and linen in the Designated Accommodation and provides the following cleaning and laundry services:

- 4.3.1 Room cleaning service: general daily housekeeping service encompassing dusting, floor cleaning and clearing of waste baskets; and
- 4.3.2 Laundry service: bed linen is laundered once a week and one set of work clothes (overall or similar) is laundered twice a week.

4.4 Medical Facilities

The *Employer* provides a basic first-aid facility at the *Contractor's* Village. This facility and related services are provided on a good Samaritan basis and not as a contractual obligation and the *Contractor*, as between the *Employer* and the *Contractor*, assumes full responsibility and liability for the medical requirements of the *Contractor's* Residents. The *Contractor* likewise assumes full responsibility and liability for the use of the *Employer* provided first-aid facility for or by the *Contractor's* Residents and the *Contractor* is liable for charges levied in connection with such services (if any). Without derogating from the *Contractor's* Indemnity in favor of the *Employer* the *Contractor* indemnifies and holds harmless the *Employer* and *Employer's* Personnel from and against any claim or liability arising out of the use of such *Employer* provided facility and/or the resultant services for illnesses or injuries to any such *Contractor's* Resident, or arising out of or allegedly attributable in any way thereto.

5. Vacation of and Eviction from Designated Accommodation

5.1 Each *Contractor's* Resident:

- 5.1.1 is entitled to reside in the *Contractors'* Village and specifically to use the Designated Accommodation, subject to the approval of the *Project Manager* and his compliance with the provisions of this Policy, solely by

virtue of his status as *Contractor's* Personnel engaged in the Works at the Project Site (and/or at other places, if any, as may be specified under the Contract as forming part of the Site);

- 5.1.2 resides in the *Contractors' Village* and use the Designated Accommodation strictly in accordance with terms and conditions applicable thereto under the Contract and complies with all such terms and conditions; and
- 5.1.3 vacates the Designated Accommodation and the *Contractors' Village* by no later than the Residence Termination Date.
- 5.2 The *Contractor* submits, to the *Project Manager*, a signed agreement (in a form prescribed by the *Project Manager*) between the *Contractor* and the *Contractor's* Resident or proposed *Contractor's* Resident in question (as applicable), in terms of which he accepts the provisions of **paragraph 5.1** above and undertakes bondage thereby in favor of the *Contractor* and the *Employer*. The signed agreement is submitted together with each booking-in form referred to in **paragraph 3.3** above.
- 5.3 If a *Contractor's* Resident fails to vacate the Designated Accommodation and the *Contractors' Village* by the Residence Termination Date:
 - 5.3.1 the *Contractor* is responsible for his eviction, including for the avoidance of doubt the institution of eviction proceedings in terms of the PIE Act and or ESTA (as applicable) or any other applicable Laws (as the case may be), and all associated legal and other costs;
 - 5.3.2 the *Contractor* is liable for, and pays to the *Employer*, a residence fee of R2000 (two thousand Rand) per week or part thereof for such *Contractor's* Resident for the period for which the occupation continues beyond the Residence Termination Date.
- 5.4 The occupation fee provided for in **paragraph 5.3.2** above:
 - 5.4.1 does not relieve the *Contractor* from his obligation to evict the *Contractor's* Resident in terms **paragraph 5.3.1** above, or from any other duties, obligations or responsibilities which he may have under this Policy;
 - 5.4.2 does not derogate from the *Employer's* other rights under the Contract; and
 - 5.4.3 is in addition to any other amount payable by the *Contractor* to the *Employer* for the Designated Accommodation.
- 6. *Employer and Project Manager's Right of Entry*

The *Employer's* Personnel may at all reasonable times and subject to reasonable notice enter the Designated Accommodation for purposes of inspecting the Designated Accommodation and/or for purposes of effecting such maintenance and/or repairs for

which the *Employer* may be liable and/or deem fit.

7. Improvements and Alterations to Designated Accommodation by the *Employer*

7.1 The *Employer* may at any time effect such additions and/or improvements and/or alterations to the *Contractors' Village* including the Designated Accommodation as the *Employer* may deem fit provided that it shall use its reasonable endeavors to minimise any loss or inconvenience suffered by the *Contractor's Resident* as a result thereof.

7.2 Neither the *Contractor* nor the *Contractor's Resident* are entitled to any damages or compensation for any loss or inconvenience suffered as a result of any building operations effected by the *Employer* in accordance with the provisions of this clause.

8. Insurance

8.1 The *Employer* effects and maintains an Assets All Risks policy, in the name of the *Employer* and the *Contractor* (hereinafter "the *Employer Insurance Cover*"), in respect of the following at *Contractors' Village*:

8.1.1 *Employer's* buildings and improvements and other buildings and improvements for which the *Employer* is responsible (with a deductible of R5000 (five thousand Rand) in respect of each and every claim); and

8.1.2 *Employer's* fixtures, fittings and equipment (with a deductible of R500 (five hundred Rand) in respect of each and every claim).

8.2 The *Contractor*:

8.2.1 insures and keep insured, to the extent required by the *Contractor*, the *Contractor's* and/or *Contractor's Residents* contents in the Designated Accommodation or otherwise at the *Contractors' Village*; and

8.2.2 maintain adequate public liability insurance.

8.3 The *Contractor* does not, and procures that the *Contractor's Resident* do not, do or omit to do anything, or keep in or on the Designated Accommodation and/or the *Contractors' Village* anything or allow anything to be done or kept in or on the Designated Accommodation and/or the *Contractors' Village*, which in terms of the *Employer Insurance Cover* (or any other insurance policy held from time to time by the *Employer* in respect of the Designated Accommodation and/or the *Contractors' Village*) may not be done or kept on the Designated Accommodation and/or the *Contractors' Village*, or which may render any such policy void or voidable and the *Contractor* complies in all respects with the terms thereof. If any premium payable in respect of any such policy is increased as a result of the *Contractor* and/or a *Contractor's Resident* not complying with the aforesaid provisions then, without prejudice to any other rights which the *Employer* may have as a result of that breach, the *Contractor* pays that additional premium.

9. Maintenance

The *Employer* maintains the Designated Accommodation and all Common Areas in a fair state of repair (due regard to the condition thereof as at the commencement of the period of residence in question). Repairs attributable to the negligence or deliberate misconduct of the *Contractor* or any *Contractor's* Resident are, however, for the account of the *Contractor*.

10. Land & Service Charges

The *Employer* is responsible for the payment of all Land & Service Charges Rates and Taxes to the local authority or supplier concerned. Any penalties or the like levied by reason of the *Contractor's* or *Contractor's* Resident's default is, however, for the account of the *Contractor*.

11. Sub-Letting

The *Contractor* do not sub-let the Designated Accommodation to any Other Project Contractors or any other persons without the prior approval of the *Project Manager*, which approval the *Project Manager* may, in his sole discretion, withhold. Without limitation, neither the *Contractor* nor a *Contractor's* Resident may transfer the right to occupy the Designated Accommodation to any other person including any Other Project Contractor.

12. Signage

The *Contractor* does not display any signage and/or advertising material on or about the Designated Accommodation without the prior approval of the *Project Manager*.

13. Holding Over

While the *Contractor* or *Contractor's* Resident remains in occupation of the Designated Accommodation and irrespective of any dispute between the *Employer* and the *Contractor* and/or the *Contractor's* Resident, including a dispute as to the *Project Manager's* right to withdraw his approval under **paragraph 2.2** above or the *Contractor's* or *Contractor's* Resident's right to use or occupy the Designated Accommodation, then:

13.1 the obligations of the *Contractor* and the *Contractor's* Resident under this Policy continues to apply and the *Contractor* continues to pay the amounts, if any, due to the *Employer* in terms of this Policy;

13.2 the *Employer* is entitled to recover and accept those payments; and

13.3 the acceptance by the *Employer* is without prejudice to and do not in any manner whatsoever affect the *Employer's* or the *Project Manager's* rights under this Policy or otherwise under the Contract.

14. Exclusion of *Employer* from Liability and Indemnity

14.1 Except for compensation events for additional Cost (and profit where so provided) or extension to the Time for Completion as expressly provided for

under the Contract, and then subject always to Core-Clause 60.1 of the Contract, the *Contractor* has no claim for damages or otherwise against the *Employer* (and may not withhold or delay any payment due to the *Employer*) by reason directly or indirectly of:

- 14.1.1 any act or omission of the *Employer*, the *Project Manager* or any agent or servant of, or *contractor* to, the *Employer*, or *Project Manager* whether or not negligent, wrongful, or otherwise actionable at law in connection with the Designated Accommodation, the Contractors' Village and/or any part thereof, and including (without limiting the generality of the a foregoing) any act or omission of any cleaner, maintenance person, handyman, artisan, labourer, workman, watchman, guard or caretaker;
- 14.1.2 the condition or state of repair at any time of the Designated Accommodation, the Contractors' Village and/or any part thereof;
- 14.1.3 any failure or suspension of, or any interruption in, the supply of water, electricity, gas, air-conditioning, heating, or any other amenity or service to the Designated Accommodation, the Contractors' Village and/or any part thereof, whatsoever the cause;
- 14.1.4 any breakdown of, or interruption in the operation of, any machinery, plant, equipment, installation or system situated in or on, or serving, the Designated Accommodation, the Contractors' Village and/or any part thereof, and including (without limitation) any lift, geyser, boiler, burglar alarm or security installation or system, regardless of cause;
- 14.1.5 any interruption of, or interference with, the enjoyment or beneficial occupation of the Designated Accommodation, the Contractors' Village and/or any part thereof caused by any building operations or other works to or in the Designated Accommodation, the Contractors' Village and/or any part thereof, whether by the *Employer* or by anybody else; or
- 14.1.6 any other event or circumstance whatever, occurring, or failing to occur, upon, in or about the Designated Accommodation, the Contractors' Village and/or any part thereof, whether or not the *Employer* could otherwise have been held liable for such occurrence or failure.
- 14.2 The *Contractor* hereby indemnifies the Employer against all liability to any *Contractor's* Personnel and any Contractor's Resident, guests and other invitees who may enter upon the Designated Accommodation, the Contractors' Village and/or any part thereof through or under the *Contractor* or a *Contractor's* Resident.

ANNEXURE X 6.3

INDUSTRIAL RELATIONS POLICY

1. Interpretation and Additional Definitions
 - 1.1 In this Industrial Relations Policy ("IR Policy"), in order to avoid confusion with usual *Employer* and employee terminology for industrial relations, reference is made to "Eskom" rather than "the *Employer*" (as Eskom Holdings SOC Limited is referred to elsewhere in the Contract). The reference to Eskom herein is, however, analogous to "the *Employer*" under the Contract and includes the legal successors in title to Eskom Holdings SOC Limited under the Contract.
 - 1.2 The following additional definitions are referred to in the interpretation of this IR Policy:
 - 1.2.1 "Kusile IR Forum" means the forum referred to in **paragraph 6.2** of this IR Policy;
 - 1.2.2 "Kusile Stakeholder Forum" means the forum referred to in **paragraph 6.1** of this IR Policy.
 - 1.2.3 "*Contractor's* Consultative Forum" means the forum referred to in **paragraph 6.3** of this IR Policy;
 - 1.2.4 "Employee" means an individual employed by the *Contractor* or a Subcontractor in connection with the Works;
 - 1.2.5 "Industrial Action" means strikes, lock-outs, work stoppages, stay-aways, protests and demonstrations, go-slows, any organised disruption of work, and any other related actions;
 - 1.2.6 "Industrial Action Management Procedure" means the industrial action management procedure referred to in **paragraph 10** of this IR Policy;
 - 1.2.7 "LRA" means the Labour Relations Act, 66 of 1995, as amended from time to time; and
 - 1.2.8 "Project Labour Agreement" means the collective agreement referred to in **paragraph 13.1** of this IR Policy, as amended, varied, restated or novated in accordance with such agreement, or

as substituted (as the case may be), from time to time`

2. Introduction

The aim of this IR Policy is to promote good labour relations and practices and to facilitate the establishment of communication structures so as to ultimately ensure labour harmony for the Project Works.

3. Scope and Application

This IR Policy applies to the *Contractor* (including all Subcontractors) and all Other Project Contractors. For the avoidance of doubt, this IR Policy applies to labour brokers (being a temporary employment service as defined in section 198 of the LRA) and the *Contractor* ensures compliance with this IR Policy by all labour brokers engaged by the *Contractor* in connection with the Project Works.

Nothing in this IR Policy limits or derogates from the *Contractor's* responsibilities under the Contract or the *Contractor's* responsibilities to conduct its industrial relations effectively and efficiently.

4. The *Project Manager*

The *Contractor* co-operates with the *Project Manager* in relation to all industrial relations issues that may arise at the Project Site (and/or at other places, if any, as may be specified under the Contract as forming part of the Site) or in connection with the Project Works from time to time.

5. *Contractor's* Representative

5.1 The *Contractor's* Representative has all authority, qualifications and competence necessary to act on behalf of the *Contractor* in all industrial relations matters. If the *Contractor's* Representative is not himself so qualified and/or competent, he is assisted by a person who is competent and appropriately qualified in the field of industrial relations and readily available to attend at the Project Site. The *Project Manager* is, if the human resourcing for the Works justifies this, entitled to require this assistant to be in the full-time employ of the *Contractor* and/or to be employed full-time at the Project Site.

5.2 The *Contractor's* Representative attends all meetings of the Kusile IR Forum and any other meetings which the *Project Manager* convenes and requires the *Contractor* Representative to attend.

6. Communication and Co-ordination Forums

Recognising that regular and effective communication between all stakeholders

may minimise the risk of labour disputes, the following forums are established and co-ordinated by the *Project Manager*.

6.1 The Kusile Stakeholder Forum:

6.1.1 The Kusile Stakeholder Forum consists of:

6.1.1.1 the *Project Manager* and other *Employer's Personnel* as required by Eskom or the *Project Manager* from time to time;

6.1.1.2 the *Contractor's Representative* (or such other representative of the *Contractor* approved by the *Project Manager*) and/or Other Project *Contractors* representatives as determined by the *Project Manager* from time to time; and

6.1.1.3 representatives from the local community as determined by the *Project Manager* from time to time.

6.1.2 The purpose of the Kusile Stakeholder Forum is to provide a platform where issues arising from and/or pertaining to the Project Works which may impact on the local community, can be discussed.

6.1.3 The Kusile Stakeholder Forum meets once every quarter or otherwise as determined by the *Project Manager*.

6.2 The Kusile IR Forum:

6.2.1 The Kusile IR Forum consists of:

6.2.1.1 the *Project Manager* and other *Employer's Personnel* as required by Eskom or the *Project Manager* from time to time; and

6.2.1.2 the *Contractor's Representative* and the representatives of all Other Project *Contractors* engaged in the Project Works at the Project Site at the time.

6.2.2 The Kusile IR Forum meets once every two months or otherwise as determined by the *Project Manager*.

6.2.3 The purpose of the Kusile IR Forum is to establish a platform where:

6.2.3.1 the participants discuss and agree a co-ordinated approach to industrial relations issues pertaining to the Project Works;

6.2.3.2 potential industrial relations problems and possible solutions

are discussed; and

- 6.2.3.3 ideas are exchanged and recommendations are made for action on industrial relations issues.

- 6.2.4 To the extent not provided for in the Project Labour Agreement, the *Contractor* co-operates with Other Project *Contractors*, as required and facilitated by the *Project Manager*, and use his best endeavors to agree on a co-ordinated, harmonised approach to industrial relations at the Project Site (and/or at other places, if any, as may be specified under the Contract as forming part of the Site).

- 6.3 *Contractor's* Consultative Forum:

- 6.3.1 To the extent the *Contractor* does not otherwise have a similar forum in place, he establishes an in-house consultative forum for purposes of ensuring regular and effective communication with Employees.

- 6.3.2 The *Contractor* takes the necessary steps to ensure that the *Contractor's* Consultative Forum remains effective and functional for the duration of the Works at the Project Site (and/or at other places, if any, as may be specified under the Contract as forming part of the Site).

- 6.3.3 The *Project Manager* is entitled to audit the effectiveness of the *Contractor's* Consultative Forum from time to time. The *Project Manager* furthermore is entitled to attend meetings of the *Contractor's* Consultative Forum and has an observer status at such meetings.

- 6.3.4 Copies of the minutes of the meetings of the *Contractor's* Consultative Forum are furnished to the *Project Manager* within 7 days of each meeting.

- 6.4 Nothing in this IR Policy prevents the establishment of other forums aimed at the minimisation and/or resolution of labour disputes in connection with the Project Works.

7. Compliance with Collective Agreements and Other Wage Instruments

In addition to the *Contractor's* obligation to comply with applicable Law under the Contract, the *Contractor* complies with all industry regulated and other collective agreements and/or other wage instruments applicable to the *Contractor* from time to time.

8. Industrial Relations Policies and Procedures

8.1 Eskom requires the *Contractor* to have sound industrial relations policies and procedures in place to ensure that any industrial relations issues are resolved amicably and expeditiously. These industrial relations policies and procedures are fair and conforms to applicable Law. Subject to the foregoing, Eskom recognises that the *Contractor* has his own industrial relations policies and procedures and the *Contractor* complies therewith and manages his industrial relations to ensure that industrial relations disputes are minimised and/or effectively resolved.

8.2 The *Project Manager* is entitled to monitor compliance by the *Contractor* with his industrial relations policies and procedures. The *Project Manager* may at any stage conduct an audit and request production of the *Contractor's* and/or any *Subcontractor's* industrial relations policies and procedures, including the *Contractor's* or *Subcontractor's* wage records and any other employment-related document, in order to establish whether this IR Policy is being observed and standards complied with. The *Contractor* co-operates, and procures that his *Subcontractors* co-operate with the *Project Manager* in this regard.

9. Organised Labour

9.1 The *Contractor* ensures that shop stewards are at all relevant times in possession of their trade union credentials.

9.2 Shop stewards are required to carry out their duties in accordance with the applicable Laws and/or agreements. Where shop stewards act outside of the scope of their duties, the *Contractor* takes the necessary steps to remedy this.

9.3 The *Contractor* supplies his recognised shop stewards with the required facilities. Such facilities are supplied close to but not on the Project Site (or at other places, if any, as may be specified under the Contract as forming part of the Site). The provision of facilities furthermore have full regard to the need to minimise any detrimental effect on productivity.

9.4 Mass meetings or report-back meetings between shop stewards and Employees are not allowed on the Project Site (or at other places, if any, as may be specified under the Contract as forming part of the Site). The venue of such meetings is arranged with the *Project Manager* with full regard to the need to avoid disruption to the Works and the Project Works.

10. Industrial Action Management Procedure

10.1 The *Contractor* deals with Industrial Action at the Project Site (and at other places, if any, as may be specified under the Contract as forming part of the Site) effectively. To this end, the *Contractor*:

- 10.1.1 put in place an Industrial Action Management Procedure to deal with all forms of Industrial Action at the Project Site (and at other places, if any, as may be specified under the Contract as forming part of the Site) which includes a comprehensive strike management plan, including in this regard, provision for a strike management committee, a communications plan and picketing rules plan. No picketing is permitted at the Project Site (or at other places, if any, as may be specified under the Contract as forming part of the Site);
- 10.1.2 submit the Industrial Action Management Procedure to the *Project Manager* prior to commencing work at the Project Site (or at other places, if any, as may be specified under the Contract as forming part of the Site, as applicable);
- 10.1.3 ensure that all its managers and supervisors are conversant with the provisions of and properly trained on the Industrial Action Management Procedure;
- 10.1.4 immediately inform the *Project Manager* of any actual or potential Industrial Action and/or demand (whether verbal or in writing) by its employees and/or any trade union acting on their behalf; and
- 10.1.5 keep the *Project Manager* fully informed of all developments during any Industrial Action or anticipated or potential Industrial Action.
- 10.2 The *Contractor* furthermore submits a comprehensive Industrial Action report to the *Project Manager* as soon as possible, but in any event by no later than 7 days after any Industrial Action. The Industrial Action report includes the following details:
 - 10.2.1 the reason/s for the Industrial Action;
 - 10.2.2 the Employees' demands prior to and during the Industrial Action and management's response;
 - 10.2.3 a complete Industrial Action diary detailing the actions, meetings and decisions of the *Contractor*;
 - 10.2.4 the man-hours lost (if any) per category, including supervision and management; and
 - 10.2.5 the resolution or settlement reached.
- 10.3 The *Contractor* ensures that it has adequate human resources personnel who are properly qualified and authorised to manage and resolve any

Industrial Action or potential Industrial Action. These personnel are available at the Project Site whenever required.

- 10.4 To the extent not provided for in the Project Labour Agreement, where Industrial Action impacts or may impact the Project Works and involves the *Contractor* and one or more Other Project Contractors, the *Contractor* shall, as required and facilitated by the *Project Manager*, co-operate to form an Industrial Action management forum to assist in the management of the Industrial Action.

11. Recruitment and Payment

- 11.1 The *Contractor's* recruitment policies and procedures are fair and do not unfairly discriminate against any person or group of persons. The *Project Manager* is entitled to inspect the *Contractor's* recruitment policies and procedures, as well as any records pertaining to pre-selection checks, upon request.

- 11.2 No recruitment takes place (whether directly or indirectly and whether by the *Contractor*, a labour broker or a third party) at the Project Site, at any other places, if any, as may be specified under the Contract as forming part of the Site and/or at any accommodation provided by the *Employer*, or within a 1km radius of the Project Site or any such other places or accommodation. Similarly, no payment in cash of salaries or wages takes place (whether directly or indirectly) and whether by the *Contractor*, a labour broker or third party) at the Project Site (or at other places, if any, as may be specified under the Contract as forming part of the Site). For the avoidance of doubt, this restriction does not prevent the issuing of payslips or other written confirmation of payment at the Project Site (or at other places, if any, as may be specified under the Contract as forming part of the Site).

- 11.3 Where possible, and subject to the availability of required skills, the *Contractor* recruits persons from the local community. For the purpose hereof "local community" refers to persons ordinarily resident within a 40km radius of the Project Site. If a centralised recruitment center is established (whether by Eskom or the Department of Labour), the *Contractor* is required to source persons from the local community via this recruitment center.

12. Industrial Relations Training

- 12.1 The *Contractor*, at his cost, provide Project specific industrial relations training to his Employees, which training includes, among other things:

- 12.1.1 the objectives of the *Contractor* pertaining to the Project; and

- 12.1.2 the specific conditions of employment relating to Employees as contained in the applicable collective agreements/wage instruments (if any).
- 12.2 To promote the understanding and acceptance among Employees of the industry in which they fall, the industrial relations system that applies to them and their terms and conditions of employment, the *Contractor* furnishes them with the following in writing:
 - 12.2.1 the main provisions of their particular terms and conditions of employment (wage rate, working hours, etc.);
 - 12.2.2 an outline of the collective bargaining system where applicable and communication channels pertaining to them;
 - 12.2.3 a summary of the *Contractor's* primary industrial relations procedures including its grievance procedure, disciplinary code and procedure, etc.; and
 - 12.2.4 any other information which may be appropriate.
- 12.3 No Employee is allowed to work on the Project Site (or at any other places, if any, as may be specified under the Contract as forming part of the Site) without having undergone this industrial relations training. The *Contractor* is required to keep, and make available to the *Project Manager* on request, a written record of the attendance of his Employees at such training.
- 12.4 The *Project Manager* may, however, dispense with some or all of the requirements of this **paragraph 12** if he is satisfied that the *Contractor* has achieved the same end by other means and/or if he is satisfied that the provisions of this **paragraph 12** are not required having regard to the nature of the Works.
- 13. The Project Labour Agreement
 - 13.1 There is a Kusile Project Labour Agreement in effect for the Kusile Project.
 - 13.2 The signatories to the Project Labour Agreement are:
 - 13.2.1 South African Federation of Civil *Project Managing Contractors* ("SAFCEC")
 - 13.2.2 Construction *Project Managing Association* of South Africa ("CEA (SA)")
 - 13.2.3 National Union of Mine Workers ("NUM")
 - 13.2.4 Building Construction and Allied Workers Union ("BCAWU")
 - 13.2.5 MWU Solidarity ("Solidarity")
 - 13.2.6 Union Association of South Africa ("UASA The Union")

- 13.2.7 National Union of Metal Workers of South Africa (“NUMSA”)
- 13.2.8 South African Equity Workers Association (“SAEWA”)
- 13.2.9 Metal Electrical Workers Union of South Africa (“MEWUSA”)

- 13.3 The Project Labour Agreement, which is endorsed by Eskom, regulates a variety of industrial relations matters in respect of the Project and is aimed, *inter alia*, at the harmonisation of industrial relations on the Project.

- 13.4 The Project Labour Agreement applies to employees in the “bargaining unit”. The bargaining unit only includes those employees listed in schedules M and N of the PLA. These employees are, generally speaking, hourly paid wage earners in various categories of employment.

- 13.5 The PLA is a collective agreement as contemplated in the LRA. By virtue of section 23 of the LRA, the Project Labour Agreement is automatically binding on the *Contractor* if he is a member of SAFCEC or CEA (SA), or any other signatory party to the Project Labour Agreement for that matter. As a member, the *Contractor* is obliged to comply with the PLA with effect from 14 January 2009. The Project Labour Agreement is likewise binding on all Subcontractors who are members of these signatory parties.

- 13.6 To the extent that the *Contractor* and/or any Subcontractor is not a member of SAFCEC or CEA (SA) (or any other signatory party to the Project Labour Agreement), or to the extent the Project Labour Agreement is not otherwise binding on the *Contractor* or any Subcontractor by operation of applicable Law, the *Project Manager* may, at any time, instruct the *Contractor* and/or any Subcontractor to comply with all or any part of the terms and conditions of the Project Labour Agreement in relation to the execution of the Works at the Project Site. The Project Labour Agreement is considered to become and be so binding on the *Contractor* and/or such Subcontractor by operation of the Laws of the Country.

- 13.7 The *Contractor* whether the Project Labour Agreement is binding by operation of Law or by virtue of an instruction (except to the extent otherwise specifically approved by the *Project Manager* in writing):
 - 13.7.1 ensure that Employees on the Project Site that fall within the bargaining unit referred to in 13.4 above undertake, in writing, to be bound by the PLA; and
 - 13.7.2 not employ on the Project Site any person falling within the said bargaining unit who has not signed such undertaking.

- 13.8 To the extent that the Project Labour Agreement is due to expire or is otherwise terminated at any time prior to the issue of the Taking-Over Certificate for the Works (or the last Section if the Works are divided in Sections), the *Contractor*, through the collective bargaining organisations

applicable to the industry in which the *Contractor* operates (and together with Other Project Contractors, as applicable), endeavor to negotiate an extension or renewal of the Project Labour Agreement prior to its expiry or to conclude a new collective agreement if the Project Labour Agreement is terminated for any reason. In this regard, the *Contractor* uses his best endeavors to include the following in any such agreement:

- 13.8.1 an expedited dispute resolution mechanism in order to address industrial relations issues and to avoid Industrial Action;
- 13.8.2 the establishment of appropriate communication structures to minimise labour disputes;
- 13.8.3 appropriate working arrangements related to the Project Works;
- 13.8.4 standard wage rates applicable to general workers whose wage rates are not regulated by collective agreement or any other wage regulating instrument; and
- 13.8.5 any other measure by which Labour disputes may be minimised and/or avoided

Note to tenderers: If the tenderer contends that he is not bound by the Project Labour Agreement in relation to the execution of the Works at the Project Site by operation of the Laws of the Country (i) this must be expressly indicated in the Tender, with detailed particulars as to why it is not binding (failing which the Tenderer shall be considered to have tendered on the basis that the Project Labour Agreement is so binding) and (ii) the tenderer must clearly identify (with full supporting particulars) the additional Cost, if any, to be incurred in complying with the Project Labour Agreement should the Project Manager require such compliance.