



MEMORANDUM OF AGREEMENT
(REVIEW THE METHODOLOGY TO APPROVE THE MAXIMUM PRICE OF
GAS IN SOUTH AFRICA)

made between

THE NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

(a juristic person established in terms of Section 3 of the
National Energy Regulator, 2004 (Act No. 40 of 2004),
(hereinafter referred to as “**NERSA**”)

herein represented by **Nomalanga Sithole**
in her capacity as **Chief Executive Officer**
duly authorized thereto

and

HLT ADVISORS t/a AFRICA INTERNATIONAL ADVISORS (PTY)(LTD)

(a company duly incorporated in terms of the Company Laws of the Republic of South Africa
with Registration Number 2002/005055/07
(hereinafter referred to as “**HLT ADVISORS**”)

herein represented by **Hasnayn Muhammad Ebrahim**
in his capacity as **Managing Director**
duly authorized thereto

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WHEREAS The Energy Regulator (NERSA) is required in terms of Section 21(1)(p) of the Gas Act (Act No. 48 of 2001), to approve maximum gas prices for distributors, reticulators, and consumers where there is inadequate competition, as contemplated in Chapters 2 and 3 of the Competition Act, 1998 (Act No. 89 of 1998).

WHEREAS Following a High Court judgment dated 14 June 2024, NERSA's decision to approve Sasol Gas' maximum prices from March 2014 to June 2023 was remitted to NERSA for reconsideration, and the 2011 Methodology to approve the maximum price of gas was declared unreasonable and irrational.

WHEREAS NERSA must assess the relevance of the 2023 Methodology to approve the maximum price of gas and revise it to align with the court's decision and ensure compliance with legal, economic, and policy imperatives.

NERSA wishes to appoint HLT ADVISORS to review the methodology to approve the maximum price of gas in South Africa.

AND WHEREAS HLT ADVISORS is willing and able to provide such Services to NERSA in accordance with the terms of this Agreement.

AND WHEREAS the Parties agree to record their agreement in writing.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

- 1.1 References to notices, statements and other communications by or from a Party include notices by or from a Party's duly authorised agent.
- 1.2 Expressions in the singular also denote the plural, and *vice versa*.
- 1.3 Words and phrases denoting natural persons also refer to juristic persons, and *vice versa*.
- 1.4 Pronouns of any gender include the corresponding pronouns of the other gender.
- 1.5 Any provision of this Agreement imposing a restraint, prohibition or restriction on a Party shall be so construed that a Party is not only bound to comply therewith but is also obliged to ensure that the

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same restraint, prohibition or restriction is observed by everybody engaged in or rendering the Services or any part thereof through, under, by arrangement with, or authority of a Party.

- 1.6 Clause headings appear in this Agreement for purposes of reference only and shall not influence the proper interpretation of the subject matter.

2. DEFINITIONS

In this Agreement, except in a context indicating that some other meaning is intended:

- 2.1 **"Agreement"** means this signed agreement together with all schedules and annexures hereto, including any future amendments duly agreed to by the parties;
- 2.2 **"Contract Value"** means an amount of **R1 763 296,84 (One Million, seven hundred and sixty-three thousand, two hundred and ninety six Rands and eighty- four cents) inclusive of VAT** as fully described in **Annexure B** hereto;
- 2.3 **"days"** means, for purposes of notices and correspondence, any day of the week, excluding Saturdays, Sundays and public holidays unless specifically defined in the Agreement;
- 2.4 **"Effective Date"** notwithstanding the date of signature hereof, means the date of signature of this Agreement by the last signing Party;
- 2.5 **"force majeure"** includes acts or omissions of any government, government agency, provincial or local authority or similar authority, any laws or regulations having the force of law, civil strife, riots, insurrection, sabotage, acts of war or public enemy, illegal strikes, interruption of transport, lockouts, inability on the part of HLT ADVISORS as a result of *force majeure* of the nature contemplated in this clause to obtain the Services or any part thereof from any supplier, service provider or contemplated supplier thereof, prohibition of exports, rationing of supplies, flood, storm, fire or (without limitation (*eiusdem generis*) any other circumstances

beyond the reasonable control of the Party claiming *force majeure* or *vis major* and comprehended in the terms *force majeure* or *vis major*;

2.6 "Parties"

means both NERSA and HLT ADVISORS;

2.7 "Party"

means either NERSA or HLT ADVISORS;

2.8 "Services"

means, reviewing the Methodology to Approve Maximum Prices of Gas in South Africa to be rendered by HLT ADVISORS to NERSA in terms of this Agreement and as more fully described in **Annex A** hereto; and includes services as might be requested by NERSA from time to time.

3. APPOINTMENT

NERSA hereby appoints HLT ADVISORS who hereby accepts such appointment to render the Services upon the terms and subject to the conditions set out in this Agreement.

4. TERMS OF REFERENCE

The Services to be rendered by HLT ADVISORS to NERSA will be in accordance with the Terms of Reference document that forms part of this Agreement. The Parties agree that such Terms of Reference document may be revised or amended by agreement between the Parties and such amendments will be effected in this Agreement. In the event of any conflict between the Terms of Reference document contained and the terms of this Agreement, the terms of this Agreement will take precedence to the extent of such conflict.

5. DURATION

- 5.1 This Agreement shall commence on the Effective Date and continue to be in force for a period of twelve months (12) or for any such further period wherein the reasons for the delay to complete the Services will be approved by NERSA. The termination of the Agreement shall not affect the payment or settlement of outstanding monies.

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5.2 In the event that NERSA elects to terminate this Agreement for any reason whatsoever, NERSA shall serve HLT ADVISORS with a one (1) month written notice of termination. NERSA's right to terminate pursuant to this clause 5.2 is subject to NERSA making payment to HLT ADVISORS of the pro-rated outstanding balance of the Contract Value for the remaining term of the Agreement.

5.3 Further, the duration period of this Agreement mentioned in clause 5.1 above is subject to the provisions of clause 15 below and shall automatically terminate once the Services under this Agreement have been rendered or completed by HLT ADVISORS and all monies related to the Service have been paid over by NERSA to HLT ADVISORS.

6. DESCRIPTION OF SERVICES

6.1 HLT ADVISORS shall assist NERSA to review the Methodology to Approve Maximum Prices of Gas in South Africa to align with court judgments and ensure compliance with legal, economic and policy imperatives.

6.2 SCOPE OF WORK

Phase 1: Review of Current Documents

6.2.1 Analyze and incorporate recommendations from internally developed documents produced during Phase 1 of the review. Assess lessons learned from the application of the existing Methodology.

Phase 2: Research and Comparative Analysis

6.2.2 Conduct economic research on natural gas and LNG pricing principles. Examine competing methodologies applied in at least three international jurisdictions and provide a comparative assessment in matrix form. Review the evolution of gas and LNG pricing, including long-term vs. short-term contracts and lessons from global market dynamics. Develop gas pricing formulae inclined to identified methodologies, including hypothetical illustrations.

Phase 3: Methodology Development

6.2.3 Define key objectives and economic principles aligned with the Gas Act. Propose an evaluation criteria for selecting an appropriate maximum price methodology. Develop a draft Methodology document, including:

- NERSA's proposed formulae and approach;

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- Implementation guidelines and prescribed sources of input variables; and
- An evaluation of the methodology's potential impact on market competition.

Phase 4: Public Consultation and Finalization

6.2.4 Develop a discussion document for public consultation and respond to comments received during the process. Prepare a final Methodology document incorporating public consultation feedback.

6.3 In addition to the foregoing NERSA shall not:

- 6.3.1 use the Services in any manner that violates any applicable law or regulation (including but not limited to where NERSA is required to obtain permissions or authorizations to permit HLT ADVISORS to perform its obligations hereunder);
- 6.3.2 use the Services in a manner that violates any industry standards concerning unsolicited email, SPAM or inappropriate material, or license, sublicense, sell, resell, rent, lease, transfer, distribute, time share or otherwise commercially exploit or make the Services available to any third party; or
- 6.3.3 use the Services in a manner that introduces any viruses, malicious code, or any other items of a harmful nature.

6.4 HLT ADVISORS shall use commercially reasonable efforts to ensure that the Services are always available or rendered to NERSA with the minimum disruptions to the business of NERSA.

6.5 In the event of *force majeure*, the Parties agree to consider the implications thereof in relation to the provision of the Services and to make appropriate adjustments as may be agreed by both parties.

6.6 PROJECT DELIVERABLES

- 6.6.1 A report summarizing internally developed documents and a review of the existing Methodology;
- 6.6.2 Comparative analysis of methodologies from at least three jurisdictions;
- 6.6.3 Proposed draft Methodology for approval of maximum gas prices;
- 6.6.4 Discussion document for public consultation;
- 6.6.5 Responses to public comments; and
- 6.6.6 Final Methodology document ready for implementation.

6.7 SKILLS TRANSFER TO NERSA STAFF

- 6.7.1 The project must be undertaken together with the members of NERSA's GAR department (the NERSA team). In this regard, HLT ADVISORS shall work collaboratively with and transfer skills to the NERSA team.

7 FEES AND PAYMENT

- 7.1 The total fee payable by NERSA to HLT ADVISORS for the rendering of the Services shall be capped at the Contract Value and NERSA shall make payment as fully described in **Annexure B** thereto.
- 7.2 HLT ADVISORS shall provide NERSA with a Value Added Tax (VAT) invoice in the format and containing the information or particulars required by law for all payments to be made by NERSA to HLT ADVISORS in terms of this Agreement.
- 7.3 NERSA shall pay HLT ADVISORS for the Services rendered in arrears, no later than thirty (30) days after receipt of a detailed valid invoice in terms of clause 7.2 above, which invoice shall be authorised by NERSA or any other person as may be designated by NERSA.
- 7.4 The fees payable to HLT ADVISORS in terms of this Agreement or any subsequent agreement shall be inclusive of VAT and disbursements.
- 7.5 HLT ADVISORS acknowledges, and hereby agrees that NERSA does not assume responsibility for the payment of VAT payable by HLT ADVISORS to the South African Revenue Services of the government of the Republic of South Africa.
- 7.6 The invoices shall be forwarded to:

Finance and Administration Department

NERSA

Postal Address:

P.O Box 40343
Pretoria
SOUTH AFRICA
0007

Physical Address:

Kulawula House
526 Madiba Street
Arcadia
PRETORIA, 0083

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or by email to invoice@nersa.org.za

- 7.7 The Parties agree that payment may be effected by electronic transfer of funds or as otherwise may be agreed to between the Parties from time to time. The banking details of HLT ADVISORS are as follows:

Account Name : HLT ADVISORS (PTY) LTD
Bank : FIRST NATIONAL BANK
Account Number : 62563115594
Branch Number : 253305

- 7.8 If HLT ADVISORS does not receive payment of any invoice within sixty (60) days from the date of receipt of the invoice, HLT ADVISORS shall be entitled, without prejudice to any other rights that it may have, to suspend the provision of further Services until all invoices due are paid in full. Further, if NERSA disagrees with or questions any amount due under an invoice submitted by HLT ADVISORS, NERSA shall communicate such disagreement to HLT ADVISORS, in writing within fifteen (15) days of receipt of such invoice.
- 7.9 The invoices of HLT ADVISORS for the Services will be issued in the name of HLT ADVISORS t/a Africa International Advisors (Pty) Ltd.
- 7.10 NERSA shall, unless otherwise agreed to in writing, be solely responsible for the work and fees of any other party engaged by NERSA to participate or assist in the Services in terms of this Agreement.

8 OBLIGATIONS OF THE PARTIES

- 8.1 NERSA shall provide HLT ADVISORS reasonable access to NERSA premises, systems and other necessary facilities as may be required by HLT ADVISORS for the due rendering of Services by HLT ADVISORS in terms of this Agreement, subject to the security rules as may be prescribed by NERSA.
- 8.2 NERSA shall, where necessary, procure the cooperation with HLT ADVISORS of any third party that may be involved in the Services, not under the control of HLT ADVISORS.



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- 8.3 HLT ADVISORS shall provide or use personnel that have expertise and which are fit to render the Services to NERSA in terms of this Agreement and such personnel shall remain so for the duration of their involvement in the rendering of the Services by HLT ADVISORS to NERSA.
- 8.4 HLT ADVISORS shall be responsible for its personnel, subcontractors or third parties for the due performance of the Services rendered by such personnel, subcontractors or third parties. HLT ADVISORS shall ensure that such personnel, subcontractors or third parties are duly paid on time or as may be agreed to between HLT ADVISORS and the subcontractors or third parties.
- 8.5 HLT ADVISORS shall, where necessary, obtain and ensure that all its subcontractors or third parties have, including but not limited to, external approvals, accreditations, licences, certificates and/or security clearances to the extent permitted or required by law, policies, regulations, standards applicable to the Services to be rendered by HLT ADVISORS in terms of this Agreement.
- 8.6 Notwithstanding what is provided for in this clause 8, NERSA reserves the right, where necessary, to place on HLT ADVISORS, any restrictions regarding electronic correspondence, data protection matters and access to NERSA networks or premises for the Services to be rendered by the HLT ADVISORS to NERSA in terms of this Agreement.
- 8.7 HLT ADVISORS shall report directly to the **HOD: GAS PRICING AND TARIFFS** of NERSA and interface with the **Dumisani Njezula** as the designated Project Leader on any matters connected with the project activities and expected deliverables.
- 8.8 HLT ADVISORS hereby undertakes not to knowingly do anything or omit to do anything which would result in NERSA being in default and/or in breach of any of the material obligations of NERSA under any legislation, law, license or authority in relation to the Services and any agreement NERSA has or may have with third parties or service providers in relation to other services. HLT ADVISORS undertakes to co-operate with any such service provider at all times. NERSA shall accordingly inform HLT ADVISORS of such service providers and their services and/or obligations, where necessary.
- 8.9 The responsibility to provide services in terms of this agreement lies with HLT ADVISORS as the appointed service provider, including the need to ensure the accuracy of data and information associated with the provision of such service. NERSA shall be entitled to

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assume that all data and information provided by HLT ADVISORS is both accurate and complete.

9 CO-OPERATION OF NERSA

NERSA, to the extent that it is within its power to do so, shall give HLT ADVISORS all the support and co-operation reasonably required to ensure that HLT ADVISORS is able, without hindrance or interruption, to render the Services in accordance with the provisions of this Agreement.

10. REVIEW

10.1 NERSA reserves the right to conduct regular reviews of this Agreement.

10.2 The Parties may agree, where appropriate, to amend the details of this Agreement and set new targets and/or deliverables for the remainder of the term of the Agreement.

11. RIGHTS OF NERSA

If the Parties agree to amend the scope of the Services to be provided under this Agreement, and NERSA provides or intends to provide any of the Services or any part thereof itself or through any other person, then NERSA shall be entitled, by notice thereof in writing delivered to HLT ADVISORS, to take transfer of that portion of the Services.

12. DATA PROTECTION

12.1 The Parties acknowledge their respective obligations to comply with the substantive provisions of the Protection of Personal Information Act, 2013 (Act No. 4 of 2013) (hereinafter referred to as 'the Act').

12.2 Where any Party receives any personal information as defined in the Act such Party shall ensure that it fully complies with the provisions of the Act and only deal or process such personal information to fulfil its obligations in terms of this Agreement.

12.3 The personal information received by a Party shall not be processed or disclosed for any other purpose without the consent of the disclosing Party.

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- 12.4 Each Party therefore understands and agrees, notwithstanding any contrary provision in any other agreement between the Parties, that each Party retains its full rights to pursue legal or equitable remedies in the event of any breach or threatened breach of the provisions of the Act when dealing with and/or processing personal information of the disclosing Party, and may prevent the other Party, any of its agents or subcontractors, or any third party who has received records or information from that Party from violating this Agreement by any legal means available.
- 12.5 Each Party further understands that the violation of the provisions dealing with the Act may subject that Party to applicable legal penalties, including those provided under the Act.
- 12.6 Within thirty (30) days after the termination of this Agreement, for whatever reason, the receiving Party of either Party's personal information shall return same or at the discretion of the disclosing Party of such personal information, destroy such personal information, and shall not retain copies, samples or excerpts thereof, save to the extent allowed by applicable law.
- 12.7 In cases where the disclosing Party has elected for the personal information to be destroyed, as provided for in clause 12.6 above, the receiving Party shall, within ten (10) days of receiving the instruction to destroy the personal information, send an affidavit confirming the destruction of such personal information.

13. STAFF / PERSONNEL

- 13.1 HLT ADVISORS shall, at all times employ only fully competent and reliable staff or personnel.
- 13.2 NERSA reserves the right to object to any of the staff or person employed by HLT ADVISORS in rendering of the Services, who in the opinion of NERSA misconducts him/herself or is incompetent or negligent or otherwise unsatisfactory to NERSA, and HLT ADVISORS shall replace such person objected to, upon receipt from NERSA of a notice in writing, including a reason justifying such summary removal, requiring HLT ADVISORS to do so within forty-eight (48) hours or a mutually agreed written work around plan between the Parties.

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14. CONFIDENTIAL INFORMATION

14.1 During the duration of this Agreement and any extended period thereof and at any time thereafter, including any earlier termination of this Agreement, both Parties shall keep strictly confidential and shall not divulge, disclose or use, whether directly or indirectly, for the benefit of a third party or that of the other Party, any confidential or proprietary information and/or data and such information which, by its nature, can reasonably be regarded as confidential ("hereinafter referred to as "Confidential Information") received by the receiving Party from the disclosing Party for the performance by HLT ADVISORS of its obligations in terms this Agreement. Confidential Information includes, but shall not be limited to, this Agreement and the relationship between the Parties regarding the engagement set out in this Agreement.

14.2 Each Party agrees that any Confidential Information received from the other Party shall only be used for the purposes of rendering or receiving the Services under this Agreement.

14.3 The obligations of the Parties as contained in clause 14.1 above shall continue without limit in point of time, but shall cease to apply to any information,

14.3.1 coming into the public domain otherwise than by a breach of an obligation of confidentiality; and/or

14.3.2 which is acquired from a third party who owes no obligation of confidence in respect of the information; and/or

14.3.3 which is or has been independently developed by the receiving Party or was known to it prior to receipt or which is required by law or a competent authority to be disclosed to any person who is authorised by law or such competent authority.

14.4 Notwithstanding the provisions of this clause 14, each Party will be entitled to disclose Confidential Information of the other Party to,

14.4.1 their respective legal advisers (in the case of legal advisers for the purposes of any actual, potential, or threatened dispute between the Parties), and/or

14.4.2 a third party to the extent that this is required by any court of competent jurisdiction or by a governmental or regulatory authority or a professional body of which a Party or its personnel are members to and which is relevant to the Services, or where there is a legal

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right, duty or requirement to disclose, provided that (and without breaching any legal or regulatory requirement) where reasonably practicable not less than two (2) business days' notice in writing is first given to the other relevant Party.

- 14.5 HLT ADVISORS undertakes to deliver to NERSA within seven (7) days after receipt of a written request, all NERSA specific original works, documentation, reports and information relating to the Services, whether complete or in progress, and to return or destroy any and all Confidential Information, in any form whatsoever, in its possession at the completion of the task or milestone or at the end of the Agreement period or upon earlier termination.
- 14.6 The obligation of HLT ADVISORS to return or destroy the Confidential Information shall not apply to,
- 14.6.1 Confidential Information that HLT ADVISORS is required to retain in order to comply with its internal compliance policies and procedures and procedures in force from time to time;
 - 14.6.2 Confidential Information that HLT ADVISORS is required to retain in accordance with applicable laws and regulations imposed on it, either by the relevant legislature or the professional body to which it belongs; or
 - 14.6.3 Computer records and files which have been created pursuant to automatic archiving and back-up procedures. HLT ADVISORS shall advise NERSA in writing of the information or documentation so retained.
- 14.7 The Party disclosing any Confidential Information to any third party shall ensure that such third party is made aware of and complies with the provisions of this clause 14, prior to disclosure of such Confidential Information.

15. BREACH AND TERMINATION

- 15.1 Should either of the Parties ("the Defaulting Party") commit any material breach of any of the provisions of this Agreement and fail to remedy such breach within ten (10) business days after receipt of written notice from the Party aggrieved thereby ("the Aggrieved Party") requiring the Defaulting Party to remedy such breach, then the Aggrieved Party shall be entitled, without prejudice to any of its other rights and remedies it may have in terms of this Agreement or in law, either to terminate this Agreement forthwith or claim specific performance, in either event, without prejudice to the Aggrieved Party's rights to claim damages it may be entitled in law.

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15.2 The termination of this Agreement shall not affect the validity of any outstanding work or Services due to NERSA prior to such termination. The provisions of this Agreement shall remain applicable to all such outstanding work or Services. Further, the termination of this Agreement shall not release NERSA from the obligation to compensate HLT ADVISORS for any work completed in whole or in part up to the date of termination and such compensation shall be made to HLT ADVISORS in accordance with all of the terms and subject to such conditions contained in this Agreement.

15.3 Either Party may terminate this Agreement:

- 15.3.1 if the other Party commits fraud;
- 15.3.2 if the other Party is guilty of fraudulent misrepresentation;
- 15.3.3 upon liquidation, whether provisionally or finally, of a Party or a Party being placed under administration or business rescue proceedings being instituted on behalf of a Party;
- 15.3.4 upon the breach of any of the provisions of this Agreement by the other Party, which is not rectified as provided in 15.1 above.

15.4 Either Party may terminate this Agreement or any part of the Services if regulatory changes occur or if changes in legislation or law occurs which may render the Services impossible to continue without the transgression of the changed regulations, legislation or relevant law.

16. CONSEQUENCES OF TERMINATION

HLT ADVISORS shall, upon termination of this Agreement or at the end of the contract period and on demand, where appropriate, immediately deliver to NERSA all correspondence, documents, data, specifications, papers, works, reports and information provided or due to NERSA in relation to this Agreement, which may be in its possession or under its control, without the right of retention.

17. SETTLEMENT OF DISPUTES

17.1 In the event of any dispute or difference arising between the Parties with regard to the interpretation or implementation of this Agreement, such dispute or difference will be referred in the first instance to the representatives of the Parties.

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- 17.2 If the representatives of the Parties are unable to reach an agreement within five (5) working days after such referral to them, such dispute or difference will be referred to the CEO of NERSA or his/her duly authorized representative and HLT ADVISORS or its duly authorized representative.
- 17.3 If the CEO of NERSA or his/her duly authorized representative and HLT ADVISORS or their duly authorized representatives are able to reach Agreement on the resolution of the dispute or difference, then such agreed resolution shall be recorded and become final and binding on the Parties.
- 17.4 Should however, the CEO of NERSA or his/her duly authorized representative and HLT ADVISORS or its duly authorized representative be unable to reach agreement within ten (10) working days after referral of the dispute or difference to them, then the dispute or difference will be referred to arbitration before an arbitrator appointed by the Parties in accordance with such rules and procedures of arbitration as may be determined by and in accordance with the Arbitration Foundation of South Africa (AFSA).
- 17.5 The arbitration will be held in Pretoria with a view to achieving an expeditious result. Furthermore, the arbitration will be conducted in camera. The Parties and all the participants in the arbitration process are obligated to maintain confidentiality with regard to all matters relating thereto, save as otherwise as may be required by law.
- 17.6 The decision of the arbitrator shall be final and binding on the Parties.
- 17.7 Notwithstanding reference of a dispute or difference to mediation or arbitration proceedings in terms of this clause 17,
- 17.7.1 HLT ADVISORS shall continue to render the Services in terms of this Agreement; and
- 17.7.2 NERSA shall continue to make payment to HLT ADVISORS for the Services.
- 17.8 Nothing contained in this clause shall prejudice either Party's right to approach a court of competent jurisdiction for any interlocutory or urgent relief as that Party may require.

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18. PENALTIES

Subject to any provisions of this Agreement, HLT ADVISORS shall ensure that the Services are provided in accordance with the Service Levels as set out in this agreement.

19. AGENCY

19.1 The Parties agree and acknowledge that this Agreement shall not be construed as creating any relationship of agency, partnership or joint venture between the Parties.

19.2 Accordingly, neither Party has any authority, in anyway whatsoever, to represent, act on behalf of or bind the other Party unless duly authorised in writing thereto by the other Party.

20. CESSION AND ASSIGNMENT

20.1 Neither this Agreement nor any right or obligation hereunder shall be assigned or delegated, in whole or part, by either Party without the prior written consent of the other, notwithstanding anything to the contrary the provisions of this clause shall not apply where HLT ADVISORS has disposed of its entire business to a *bona fide* third party alternatively as part of an internal restructure.

20.2 The provisions of this Agreement shall automatically transfer to and continue to exist to any legal successor of the Parties.

21. RIGHTS CUMULATIVE

All rights granted to either of the Parties shall be cumulative and no exercise by either of the Parties of any right under this Agreement shall limit or prejudice the exercise of any other right granted by this Agreement or otherwise available to it.

22. SEVERABILITY

22.1 The provisions of this Agreement shall each be construed independent of each other.

22.2 The Parties hereby expressly agree that it is not the intention of any of them to violate any public policy, statutory or common law and that if any sentence, paragraph, clause, provision or combination of the same is in violation of any public policy, statute or law, such sentence, paragraph, clause, provision or combination thereof shall be void in the jurisdiction where it is unlawful and the remainder of such sentence, paragraph, clause or provision shall remain binding upon the Parties.

22.3 It is recorded that the provisions of this Agreement will be binding only to the extent that they may be lawful in terms of the applicable laws of the Republic of South Africa and in the event that any provision hereof is determined unenforceable, the Parties agree to the modification of such provision to the minimum extent as may be required to make it valid and enforceable.

23. WAIVER

23.1 No waiver of any of the terms and/or conditions of this Agreement will be binding for any purpose unless expressed in writing and signed by the Party giving the same, and any such waiver will be effective only in the specific instance and for the purpose given.

23.2 No failure on the part of either Party in exercising any right, power or privilege will operate as a waiver, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any right, power or privilege.

24. GENERAL PROVISIONS

24.1 The relationship between the Parties shall be one of good faith and each Party undertakes to observe the utmost good faith towards each other and to act reasonably with respect to matters that relate to this Agreement.

24.2 The Parties agree that the rule of construction that the Agreement shall be interpreted against the Party responsible for the drafting of this Agreement, shall not apply.

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- 24.3 Subject to giving HLT ADVISORS the first right of refusal, NERSA reserves the right to procure the Services not provided in this Agreement from other service providers, a national department, provincial department or a local authority, small quantities or to have a minor essential service executed if an emergency arises, HLT ADVISORS's point for the rendering of the Services is not situated at or near the place where the Services are required, or the Services are not readily available.

25. EXCLUSION OF LIABILITY

- 25.1 HLT ADVISORS shall not be liable to NERSA for any loss by reason of any failure or delay in performing its obligations under this Agreement which is due to *force majeure*.
- 25.2 Notwithstanding anything to the contrary contained in this Agreement, HLT ADVISORS's maximum liability to NERSA for any and all causes of action arising out of or relating to this Agreement, whether in contract, delict, breach of warranty, claims by third parties, or otherwise, will be limited in the aggregate to the Contract Value paid by NERSA.
- 25.3 In determining the liability of HLT ADVISORS for purposes of this clause 25, a court or arbitrator shall limit such liability to that proportion of the loss or damage suffered by NERSA which is ascribed to HLT ADVISORS by such court or arbitrator allocating a proportionate responsibility having regard to the contribution to the loss or damage in question of NERSA or any other person based upon the degrees of fault.
- 25.4 It is a term of this Agreement that the provisions of the Apportionment of Damages Act, 1956 (Act No. 34 of 1956) will apply to all claims between the Parties. The terms "breach of contract or gross negligence" and "damages" or "losses" as used therein shall be deemed to fall within the meanings of "fault" and "damage" as contained in Section 1 of the Apportionment of Damages Act, 1956.
- 25.5 HLT ADVISORS shall not be liable to NERSA or any cessionary or third party claiming through or on behalf of NERSA for any damages whatsoever or for any consequential, incidental, indirect, special, punitive, or exemplary costs or damages of any kind, or for any downtime costs; lost business, revenues, goodwill, or profits; failure to realize expected savings; reduction in business value, or loss or unavailability of or damage to data; whether or not that Party was aware or should have been aware of the possibility of such costs, expenses or damages.

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- 25.6 Where the claim against HLT ADVISORS arises out of a claim against NERSA by a third party (i.e. as an indemnity claim) NERSA shall not pay or otherwise settle or compromise such claim without prior written consent. HLT ADVISORS shall furthermore have the right to control and defend the relevant proceedings provided that it provides NERSA with an appropriate indemnity against costs incurred by or awarded against it.

26. SECURITY

- 26.1 HLT ADVISORS shall comply with all security policies as may be imposed by NERSA from time to time. NERSA shall provide and/or inform HLT ADVISORS of such security policies.
- 26.2 This Agreement is subject to HLT ADVISORS as well as its personnel, who will render the Service or involved in the rendering of the Service, may be subject to a positive security clearance conducted by the State Security Agency, to the level of confidential, secret or top secret. This provision shall apply to any subcontractor appointed by HLT ADVISORS. The security responsibilities of HLT ADVISORS will be indicated by NERSA to HLT ADVISORS. If a negative security screening report is issued this Agreement will be terminated with immediate effect.
- 26.3 The signature of this Agreement is subject to the understanding that HLT ADVISORS will implement all security measures required.

27. WHOLE AGREEMENT

- 27.1 This Agreement constitutes the whole agreement between the Parties relating to the subject matter hereof and no amendment, alteration, addition, variation or consensual cancellation or termination thereof will be of any force or effect unless reduced to writing and signed by the Parties.
- 27.2 This Agreement supersedes all prior understandings and agreements, whether oral or written, between the Parties with regard to the subject matter of this Agreement.
- 27.3 The Parties agree that no other terms or conditions, whether oral or written, and whether express or implied, apply unless contained in this Agreement.

28. LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the Republic of South Africa and all disputes, actions and other matters related thereto shall be determined in accordance with such laws.

29. NOTICE AND DOMICILIUM

29.1 The Parties choose their respective *domicilia citandi et executandi* for all purpose of the giving of notice, the serving of any process and for any other purpose relating to this Agreement as follows:

National Energy Regulator of South Africa

Postal Address:

P.O Box 40343

Arcadia

SOUTH AFRICA

0007

Physical Address:

Kulawula House

526 Madiba Street

Arcadia

0083

Telephone Number: +27 12 401 4600

Fax Number: +27 12 401 4700

Email: Thulebona.Nxumalo@nersa.org.za

Contact Person: Mr Thulebona Nxumalo

HLT ADVISORS

Physical Address:

Workshop 17, 10th Floor

16 Baker Street

Rosebank

Norwood

Gauteng

2117

Postal Address:

Postnet Suit 118

Private Bag x5

Norwood

Gauteng

2117



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Telephone Number: +27 11 268 6934

Email: hasnayn@africaia.com

Contact Person: Hasnayn Muhammad Ebrahim

- 29.2 Any notice addressed to a Party at its physical address shall be delivered by hand or sent by telefax or electronic mail.
- 29.3 A notice will be deemed, unless the contrary is proved, to have been given:
- 29.3.1 if hand delivered during business hours on a business day, on the day of delivery;
or
 - 29.3.2 if sent by telefax or electronic mail, on the first business day following the date of sending of such telefax or electronic mail; and upon receipt of the telefax report confirming that all the pages have been sent or electronic mail report confirming that such mail containing the notice has been sent.

NB ZE

THUS, DONE AND SIGNED at PRETORIA on this 15th day of SEPTEMBER 2025.



for and on behalf of NERSA

Full names : Adv. Nomalanga Sithole

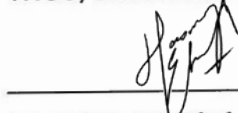
Designation : Chief Executive Officer

WITNESSES:

1. SN Dlamini Full names: Samukelisiwe Nozipho Dlamini

2. A Magoda Full names: Azwindini Magoda

THUS, DONE AND SIGNED at ROSEBANK on this 15th day of SEPTEMBER 2025.



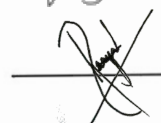
for and on behalf of HLT ADVISORS t/a AFRICA INTERNATIONAL ADVISORS (PTY) Ltd

Full names: Hasnayn Muhammad Ebrahim

Designation: Managing Director

WITNESSES:

1.  Full names: Ahmed Suliman Bokhari

2.  Full names: Paayal Kanjee Govind

ANNEXES

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ANNEX A

Description of Services

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Description of Services

1. SCOPE OF WORK

1.1 To review and, if necessary, revise the Methodology to Approve Maximum Prices of Gas to align with the High Court’s judgment and ensure its alignment with the Gas Act’s objectives and sound economic principles. The Consultant is required to undertake the following tasks:

Phase 1: Review of Current Documents

Analyze and incorporate recommendations from internally developed documents produced during Phase 1 of the review.

Assess lessons learned from the application of the existing Methodology.

Phase 2: Research and Comparative Analysis

Conduct economic research on natural gas and LNG pricing principles.

Examine competing methodologies applied in at least three international jurisdictions and provide a comparative assessment in matrix form.

Review the evolution of gas and LNG pricing, including long-term vs. short-term contracts and lessons from global market dynamics.

Develop gas pricing formulae inclined to identified methodologies, including hypothetical illustrations.

Phase 3: Methodology Development

Define key objectives and economic principles aligned with the Gas Act.

Propose an evaluation criterion for selecting an appropriate maximum price methodology.

Develop a draft Methodology document, including:

- NERSA’s proposed formulae and approach;
- Implementation guidelines and prescribed sources of input variables; and
- An evaluation of the methodology’s potential impact on market competition.

Phase 4: Public Consultation and Finalization

Develop a discussion document for public consultation and respond to comments received during the process.

Prepare a final Methodology document incorporating public consultation feedback.

2 PROJECT DELIVERABLES

2.1 A report summarizing internally developed documents and a review of the existing Methodology.

2.2 Comparative analysis of methodologies from at least three jurisdictions.

2.3 Proposed draft Methodology for approval of maximum gas prices.

2.4 Discussion document for public consultation.

2.5 Responses to public comments.

2.6 Final Methodology document ready for implementation.

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Annexure B

(Price Schedule And Payment Structure)

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TABLE 1: PRICE SCHEDULE AND PAYMENT STRUCTURE

	Rate per hour	Number of Hours	Total Price
A report summarising internally developed documents and a review of the existing Methodology	R740	203,8	R150 812,00
Comparative analysis of methodologies from at least three jurisdictions	R913	520	R474 760,00
Proposed Methodology for approval of maximum gas prices	R974	435,2	R423 884,80
Discussion document for public consultation	R924	242,4	R223 977,60
Responses to public comments	R1015	187,2	R190 008,00
Final Methodology document ready for implementation	R766	91,2	R69 859,20
TOTAL PRICE EXCLUDING VAT			R1 533 301,60
VAT 15%			R229 995,24
TOTAL PRICE INCLUDING VAT			R1 763 296,84

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ANNEX C

HLT Advisors (Pty) Ltd t/a Africa International Advisors Banking Details

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ANNEX C

HLT Advisors (Pty) Ltd t/a Africa International Advisors Banking Details

Account Name : HLT ADVISORS (PTY) LTD trading as AFRICA INTERNATIONAL ADVISORS

Bank : First National Bank

Type of Account : Platinum Business Account (Current Account)

Account Number : 62563115594

Branch : Rosebank

Branch Code : 253305

 **HE**