

Schedule F (Change Management)

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INSTRUCTIONS FOR RESPONDING TO THIS DOCUMENT:

General Guidelines

- These RFP documents contain the key legal terms and conditions that the Supplier will be required to comply with in relation to this Project.
- Eskom requires the Supplier to comply with the requirements as written, and compliance with these RFP documents will be a critical component of Supplier's response to the RFP.

The Supplier must complete Schedule Q (Supplementary Terms), as it is a mandatory requirement. Non-compliance will result in the Supplier being disqualified from further evaluation.

1. INTRODUCTION

1.1. General

This Schedule F (Change Management) sets out the processes and procedures to be used by the Parties in relation to any Change to the Services or this Schedule, as well as the ordering processes for any incremental or ad hoc Services which are required by Eskom. All Changes, Service Requests and Projects shall be carried out in accordance with the terms set out in this Schedule.

2. CHANGE

2.1. The following procedures (collectively, the “**Change Procedures**”) will govern changes under the Agreement. No Change will be made to the terms of the Agreement unless reduced to writing and signed by the duly authorised representatives of both Parties. No Change to the Services may be implemented except in accordance with the relevant Change Procedure:

2.1.1. the Change Procedure which will be followed by the Supplier as part of the Services in carrying out any operational change to the Services (“**Operational Change Management Procedure**”);

2.1.2. the “**Change Management Procedure**”, under which either Party can propose any of the following changes (each a “**Change**”):

2.1.2.1. a change to the Services that the Supplier is required to perform under the Agreement resulting in additional or the modification of the Services;

2.1.2.2. a change to the terms of the Agreement; or

2.1.2.3. a change that is stated under this Schedule to be subject to the Change Management Procedure;

2.1.3. the “**New Services Project Process**” is the process that will be followed by the Parties with respect to the introduction, governance and termination of any new Services in accordance with Appendix F-2 (New Services Project Process); and

2.2. Mandatory Changes

2.2.1. Subject to any adjustment to the Charges being made in accordance with the procedure specified in section 2.5 where applicable, the following types of changes required by Eskom shall be made after consultation with the Supplier:

- 2.2.1.1. the evolutionary changes described in section 2.7 ("**Evolution of Services**");
- 2.2.1.2. changes to the Eskom Provided Equipment, Eskom Provided Software or other systems or materials provided to the Supplier for performing the Services;
- 2.2.1.3. changes to the Services occasioned by changes to the services and/or products that are generally offered by the Supplier Group to its customers such that Eskom enjoys the benefit of such Services at a level equal or greater to that enjoyed by the Supplier Groups' customers;
- 2.2.1.4. changes which are stated in this Schedule to be at Eskom's discretion or where otherwise described as a Mandatory Change elsewhere in the Agreement;
- 2.2.1.5. changes arising from Eskom removing or adding Services in accordance with the Change Procedures or the pricing mechanisms set out in Schedule D (Charges); and
- 2.2.1.6. changes to the Subcontractors in accordance with the Terms and Conditions.

2.2.2. For the avoidance of doubt the Changes in this section 2.2 shall not require the consent of the Supplier.

2.3. Eskom mandated changes

2.3.1. Where applicable, the following types of changes required by Eskom will be made without the Supplier's consent:

- 2.3.1.1. changes required by Applicable Law;
- 2.3.1.2. changes to the Eskom Policies;
- 2.3.1.3. changes directed by a Regulator or court of competent jurisdiction; and
- 2.3.1.4. changes to controls relating to the risk function within Eskom (to the extent same apply to the Services) or imposing new risk controls, where Eskom reasonably believes, as a result of a change to Eskom's risk controls, the existing risk controls are deficient;

2.4. Approval of Changes

2.4.1. The Supplier will not make the following Changes without first obtaining Eskom's written approval:

- 2.4.1.1. a change adversely affecting the function or performance of, or decreasing to any significant degree the resource efficiency of, any of the Services;
- 2.4.1.2. a change to (or a change inconsistent with) the terms of the Agreement, the Operations Manual or the Eskom Policies;
- 2.4.1.3. a change to the Supplier Policies that is detrimental to the Services;
- 2.4.1.4. a change in the Facilities where the Services are performed;
- 2.4.1.5. a change to the location from where the Services are performed;
- 2.4.1.6. a change increasing the Charges or other costs of the Service Recipients (including internal Service Recipients costs and costs incurred by Service Recipients with third parties, to the extent that the Supplier is aware of the same);

- 2.4.1.7. a change impacting the way in which Service Recipients conduct their business or operations, which Eskom considers to be adverse;
 - 2.4.1.8. changes to the Equipment provided by the Supplier and used by the Supplier to provide the Services that have a significant impact on the scope of the Services, applicable Service Levels and Charges;
 - 2.4.1.9. changes to the Supplier Provided Software that have a significant impact on the scope of the Services, applicable Service Levels and Charges; and/or
 - 2.4.1.10. changes to the Services (including in respect to the technology used to provide the Services) that will result in the Supplier's non-compliance with Eskom Policies.
- 2.4.2. Without prejudice to Eskom's right of approval, the changes set out in section 2.3 shall all be subject to the Change Management Procedure.
- 2.4.3. Any change to this Schedule will be by a written variation and no such variation will be effective unless it is in writing and signed by a duly authorised representative of each Party.
- 2.4.4. If the Services are changed, any additional or changed services will be considered "Services" following such change and will be subject to the provisions of this Schedule.
- 2.4.5. Each Party will bear its own costs in complying with the Change Procedures.
- 2.5. Changes impacting the Charges
- 2.5.1. Changes to the Services will not give rise to a change in the Charges unless such change falls within at least one of the following categories:

- 2.5.1.1. If there is a mechanism in Schedule D (Charges) for adjusting the Charges in respect of the Change (including a change in volume of the particular Service), then that mechanism will apply and sections 2.5.1.2 and 2.5.1.3 will not apply
- 2.5.1.2. The Charges for services provided under Projects will be calculated in accordance with Schedule D (Charges).
- 2.5.1.3. Changes to the Services other than those specified in sections 2.5.1.1 or 2.5.1.2, will only give rise to a change in the Charges (a "**Price Sensitive Change**") if such change is:
 - 2.5.1.3.1. an addition, variation or reduction to the Services and, as a result:
 - 2.5.1.3.1.1. the Supplier can satisfactorily demonstrate that its costs or resources used in performing the Services are materially increased and the extent of such increases; or
 - 2.5.1.3.1.2. Eskom can reasonably argue that the Supplier's costs or resources are likely to have materially decreased; and
 - 2.5.1.3.2. not one of the following changes (in respect of which, the Charges will not change):
 - 2.5.1.3.2.1. evolutionary changes described in section 2.7 (Evolution of Services);
 - 2.5.1.3.2.2. a change in Applicable Law referred to in section 2.6 (subject to section 2.6.3); or
 - 2.5.1.3.2.3. a change that is otherwise stated in this Schedule not to be subject to an additional charge.
- 2.5.2. For Price Sensitive Changes, the Supplier will propose a change to the Charges through the Change Management Procedure that:
 - 2.5.2.1.1. is equitable;

- 2.5.2.1.2. is proportional to the net material increase or decrease in the Supplier's resources and costs in performing the Services as a result of such change, with the Supplier using Commercially Reasonable Efforts to minimise such resources and costs, including redeploying resources that are no longer required (and includes a reasonable profit element in proportion to the changed resources and costs); and
 - 2.5.2.1.3. in the case of a new service that is different from the then-existing Services, is competitive with the market charges for such new service.
- 2.5.3. As part of the Change Management Procedure, the Supplier will reasonably propose an adjustment to the Charges that complies with section 2.5.2, and the Supplier will:
 - 2.5.3.1.1. provide an analysis of the reasons why the Supplier believes its resources and costs will be materially impacted by the Change and any applicable supporting documentation;
 - 2.5.3.1.2. demonstrate each component of the increase and decrease in the Supplier's costs, and resources and costs associated with the Change;
 - 2.5.3.1.3. provide reasonable evidence that the Supplier is performing efficiently and that resources and costs relating to both the making of the Change and the affected Services will be minimised;
 - 2.5.3.1.4. in the case of a proposed increase in the Charges, where reasonably requested by Eskom, propose reasonable alternatives and which may have an impact on the Services or Performance Standards, but which accommodate the Change without increasing the Charges;

- 2.5.3.1.5. provide details of how the proposed change to the Charges will apply and, in the case of proposals involving a one-time charge and at Eskom's request, the Supplier will propose an alternative to the one-time charge using adjustments to the existing Charges; and
 - 2.5.3.1.6. provide any other relevant supporting information, including assumptions, reasonably requested by Eskom to verify such proposed change.
- 2.5.4. Where a Benchmarking Exercise conducted under Schedule N (Value and Competitiveness Rider) indicates that Charges or service structures should be adjusted, the Supplier shall treat the implementation of such benchmarking outcome as a Change and process it under this Schedule without additional cost to Eskom.
- 2.5.5. The Change Management Procedure described in this section 2 shall be without prejudice to Eskom's rights under the Terms and Conditions (Termination), including termination for material breach, and any step-in or service-credit remedies elsewhere in the Agreement. The Parties agree that any such Termination shall not be deemed to be a Change for the purpose of the Change Management Procedure.
- 2.5.6. Any change to the Charges for a Price Sensitive Change will be subject to Eskom's approval.
- 2.6. Change in Applicable Law
 - 2.6.1. The Supplier will monitor during the Term any changes in Applicable Law (or the introduction of new Applicable Laws) within the territories from which it provides the Services and to which it provides the Services and that relate to the Services.
 - 2.6.2. If there is a change in Applicable Law that requires changes to the Agreement, including changes to the Services or changes to the Eskom Policies, then:

- 2.6.2.1. a Party will notify the other Party as soon as reasonably practicable upon becoming aware of such change in Applicable Law or potential change;
- 2.6.2.2. the Parties will work together to identify the impact of such change in Applicable Law and agree any changes necessary to the Agreement in accordance with the relevant Change Procedure (and the Supplier will evaluate and recommend any changes to the Services necessary to maintain compliance with Applicable Law); and
- 2.6.2.3. any required change will be implemented by the Supplier by the effective date of such Applicable Law:
 - 2.6.2.3.1. to the extent technically possible; and
 - 2.6.2.3.2. provided that Eskom has complied with its obligations in respect of such changes, as set out in section 2.6.2.1 and 2.6.2.2 (as applicable), and provided any Approvals required for the change have been given.
- 2.6.3. If the change in Applicable Law relates to the Supplier in the performance of its role as the Supplier (including any obligations relating to employment of the Service Personnel) or is otherwise generally applicable to businesses in the country where the change in Applicable Law takes place, then such Change shall be recorded through the Change Management Procedure but will not be a Price Sensitive Change.
- 2.6.4. If the change in Applicable Law relates to Eskom in its role as an electricity supplier then such Change shall be made in accordance with the Change Management Procedure in accordance with this section 2 and may be a Price Sensitive Change.
- 2.6.5. Where the change in Applicable Law is a Price Sensitive Change, to the extent such change in Applicable Law impacts other Supplier customers, any additional costs will be apportioned where possible on an equitable basis among the Supplier's customers.

- 2.6.6. Eskom's remedies in respect of the Supplier's failure to implement any Change, including delays or non-compliance with this Schedule, are cumulative and without prejudice to any rights under the Agreement, including the right to claim damages, apply Service Credits, or terminate for material breach.

2.7. Evolution of Services

- 2.7.1. The Parties acknowledge and agree that the Services will evolve over the Term resulting from the evolution of technology or Tools, processes, market best practice, or changes required in the normal course of business to keep pace with the business requirements of the Service Recipients and such changes shall not be classified as Price Sensitive Changes, unless both of the conditions described in section 2.7.1.1 and 2.7.1.2 are satisfied:

2.7.1.1. the change requires an adoption of new technology, services or processes that were not included as part of the Services as at the Effective Date, other than any upgrades to the Equipment, Software or Tools pursuant to Schedule B (Service Description), that change the manner in which the Services are supplied; and

2.7.1.2. as a result, either:

2.7.1.2.1. The Supplier can satisfactorily demonstrate that its costs or resources used in performing the Services are materially increased and the extent of such increases; or

2.7.1.2.2. Eskom can reasonably argue that the Supplier's costs or resources are likely to have materially decreased.

2.8. Security and Data Protection

All Changes shall be designed, implemented, and maintained in compliance with Schedule R (Information Security Requirements) and Schedule P (Operator Agreement), and shall not diminish or compromise Eskom's data protection, confidentiality, or information security obligations under Applicable Law.

2.9. AI Tools and cloud-related Changes

2.9.1. No Change involving deployment of AI Tools, automation processes, or migration to or from Cloud Services shall be implemented without Eskom's prior written approval. Eskom may impose additional conditions (including risk assessments or AI Tool registers) as part of such approval.

2.9.2. Any such use must also comply with the Terms and Conditions, including prior written approval, tool register, data-handling limits and Eskom ownership of AI outputs.

3. SERVICE REQUESTS

3.1. The Supplier will perform Service Request management services to fulfil Service Requests made by the Eskom Authorised Personnel in accordance with the Performance Standards, as further described in this section 3.3 ("**Service Request Process**").

3.2. The Supplier's responsibilities will include:

3.2.1. providing the channel through which Eskom Authorised Personnel can raise Service Requests or making use of the Service Desk as the channel for raising Service Requests (as applicable);

3.2.2. providing information to Eskom Authorised Personnel about the availability of services and the Service Request Process;

3.2.3. forwarding Service Requests to the relevant Supplier support groups for fulfilment;

3.2.4. fulfilling Service Requests;

3.2.5. closing Service Requests; and

3.2.6. owning, monitoring, tracking and communicating in respect of the Service Request throughout the steps specified in section 3.2

3.3. Service Request Process

3.3.1. The Supplier will receive notifications of Service Requests as follows:

3.3.1.1. the Supplier will accept notifications of Service Requests from an end user through the Service Desk subject to verifying the end user's details. Notwithstanding the above, the Supplier shall not, where having regard to the nature of the Service Request, action any Service Request without written approval received from Eskom Authorised Personnel; and

3.3.1.2. the Supplier will provide Eskom Authorised Personnel with access to information to assist with making Service Requests.

3.3.2. The Supplier will record Service Requests as follows:

3.3.2.1. upon receipt of a Service Request from Eskom Authorised Personnel, the Supplier will log the Service Request in the Ticket Management System.

3.3.3. The Supplier will record information about each Service Request on a Ticket and in accordance with such templates contained in the Operations Manual. Where Service Requests are notified to the Supplier by Eskom Authorised Personnel, the Supplier will confirm that all pertinent details have been captured and where necessary obtain further information to complete the Ticket.

3.3.4. The Ticket will be updated throughout the Service Request Process set out in this section 3 and in accordance with the Operations Manual procedure and will be deemed closed only when the Service Request is closed in accordance with section 3.2.

3.3.5. The Supplier will fulfil Service Requests as follows:

3.3.5.1. the Supplier will communicate with Eskom Authorised Personnel regarding the requirements for the Service Request and provide updates on the Service Request; and

3.3.6. If the assigned Supplier resolver group is responsible for such Service Request but is unable to fulfil it, then it will promptly escalate the Service Request to the appropriate Supplier resolver support group for investigation, analysis and resolution until the Service Request is fulfilled, and the Supplier will continue to own the Service Request through to resolution, including monitoring and documenting resolution progress, communicating with Eskom Authorised Personnel and ensuring that the Ticket is updated and closed.

3.3.7. A Service Request will be deemed to be closed only once:

3.3.7.1. the Supplier fulfils the Service Request; and

3.3.7.2. the process for signing off completion of the relevant Service Request in accordance with the Operations Manual has been completed successfully.

3.4. Managing the Service Request Process

3.4.1. The Supplier will manage the fulfilment of each Service Request task, from the Service Request being raised through to closure, including:

3.4.1.1. owning all Service Requests and actively managing the fulfilment of Service Requests, including effective hand-offs of Service Requests between support groups;

- 3.4.1.2. regularly monitoring, documenting and tracking the status and progress towards completion of all outstanding Service Requests;
- 3.4.1.3. keeping the relevant Eskom support group updated with the progress of Service Requests at such frequency reasonably required by Eskom and as set out in the Operations Manual; and
- 3.4.1.4. proactively escalating any Service Requests that are at risk of not being completed within the agreed timeframes to Supplier management, in accordance with escalation paths agreed with Eskom, and through the relevant Eskom escalation paths, as set out in the Operations Manual.

Appendix F-1 Change Management Procedure

1. This Appendix F-1 (Change Management Procedure) will set out the process by which Changes that are subject to the Change Management Procedure in accordance with section 2 of this Schedule will be initiated, quantified, defined, assessed, reviewed and, where approved pursuant to section 2.4 (Approval of Changes) of this Schedule, implemented.
2. Either Party may propose a Change in accordance with this Change Management Procedure by written Change Request to the joint Contract Management Committee described in Schedule E (Governance). The written notice shall, at a minimum, include (i) a comprehensive description of the proposed Change, (ii) the impact of the Change on the Charges and Service Recipients' business operations, and (iii) any actions required to mitigate an adverse impact on Eskom and any change in the Charges.
3. The written notice shall be submitted to the Contract Management Committee within 10 (ten) Business Days before the next Contract Management Committee meeting. The Contract Management Committee will review and discuss the written notice at the meeting and will either (i) accept the proposed Change, (ii) reject the Change proposal, or (iii) refer the Change Proposal to the Service Management Committee for decision. Any decision taken by the Contract Management Committee shall be ratified by the Service Management Committee at the next Service Management Committee meeting.

Appendix F-2 New Services Project Process**1. INTRODUCTION****1.1. General**

- 1.1.1. This Appendix F-2 (New Services Project Process) sets out the procedure by which Projects will be initiated, approved, implemented, tracked and changed throughout the life cycle of a Project.
- 1.1.2. Either Party may propose that a change to the Services is classified as a Project in which case the Parties will comply with the process set out in section 2 of this Appendix F-2 to determine whether the proposed change will be classified as:
 - 1.1.2.1. a Project, subject to Eskom Policies, procurement and governance policies; or
 - 1.1.2.2. a change which is already included within the scope of the Services, and which will therefore be implemented at no additional cost to Eskom (unless explicitly stated otherwise in Schedule D (Charges)) and in accordance with this Schedule.

2. PROJECT ASSESSMENT**2.1. Project Request**

- 2.1.1. Each request for a Change to the Services which is proposed by either Party to be a Project will be logged by the Supplier and evaluated in accordance with the process set out in this section 2 to determine the scope of the proposed Project and the impact on the Services, Performance Standards and the Charges.
- 2.1.2. Where the Parties agree that the conditions of a Project as stated in Schedule B (Service Description) are met and Eskom agrees that such change could be implemented as a Project, the Parties will agree the classification of the request for the Project in

accordance with the relevant category of Project request. The Supplier will provide the project cost estimates or Fixed Price (as requested by Eskom), which complies with the principles set out in sections 2.1.3 and 2.1.4 in accordance with the timescales set out in this Schedule, depending upon the agreed classification of Project request. Following receipt, Eskom will either approve or reject the project cost estimate or Fixed Price (as applicable) in accordance with section 2.1.3 and 2.1.4.

2.1.3. The Supplier will provide a project cost estimate or Fixed Price (as applicable) which is:

2.1.3.1. is equitable;

2.1.3.2. reflects the net material increase or decrease in the Supplier's resources and costs in performing the Project, with the Supplier using Commercially Reasonable Efforts to minimise such resources and costs, including by redeploying surplus resources allocated to the provision of the Services; and

2.1.3.3. in the case of a new service that is materially different from, and in addition to, the Services, is competitive with the market charges for such new service.

2.1.4. As part of the project cost estimate or Fixed Price (as applicable) the Supplier will be required to:

2.1.4.1. provide an analysis of the reasons why the Supplier believes its resources and costs will be materially impacted by the proposed change and any applicable supporting documentation;

2.1.4.2. provide reasonable evidence that the Supplier is performing efficiently and that dedicated resources assigned to the project team and costs required to deliver the proposed Project (and any affected Services) will be minimised and that it has reviewed any alternatives (including where authorised by Eskom utilisation of existing Service Personnel and resources engaged in the performance of the Services together with providing information on adverse impact to the Services or Performance Standards (if any)) to accommodate the requested change without adjusting or increasing the Charges;

- 2.1.4.3. in the case of a proposed increase in the Charges, and where possible, propose reasonable alternatives which may have an impact on the Services or Performance Standards, but which accommodate the proposed change without increasing the Charges;
- 2.1.4.4. provide details of how the implementation of the Project will impact the Charges and, in the case of proposals involving a one-time charge and at Eskom's request, the Supplier will propose an alternative to the one-time charge using adjustments to the unit rates applicable in accordance with Schedule D (Charges);
- 2.1.4.5. provide any other relevant supporting information, including assumptions, reasonably requested by Eskom to verify such proposed change; and
- 2.1.4.6. with respect to a Project which would result in a reduction in the Charges, detail the reduction, providing reasonable supporting documentation sufficient for Eskom to assess the proposed decrease.

3. INVESTIGATION / FEASIBILITY PHASE

- 3.1. With respect to any proposed Project, the Party proposing the Project will supply a statement of requirements for such Project ("**Statement of Requirements**").
- 3.2. The Supplier will perform an investigation/feasibility study which includes an analysis of resource requirements, expenses and third-party requirements (if any) for completion of the Project.
- 3.3. The Supplier will provide Eskom with details of any licensing of Intellectual Property Rights (including any Third-Party licensing and maintenance fees) which may be required for the Project as part of the investigation / feasibility study.

4. PROJECT COSTS

- 4.1. At Eskom's request, the Supplier will either provide Eskom with:

- 4.1.1. a comprehensive project cost estimate for the implementation of each Project; or
- 4.1.2. a fixed price quote to complete the Project in its entirety (or to complete a specified part, where required by Eskom) ("**Fixed Price**").
- 4.2. The Project Rates, Target Charge or Fixed Price (as applicable) will be provided by the Supplier upon completion of the investigation / feasibility phase or, if no investigation / feasibility phase is required by Eskom, within 10 (ten) Business Days following receipt of the Statement of Requirements from Eskom and, in any event, within the timescales agreed by the Parties.
- 4.3. The Project Rate, Target Charge or Fixed Price will include, as applicable:
 - 4.3.1. the Supplier's estimates of its total labour charges to complete the entire Project with a breakdown of the estimated number of person hours by skill classification multiplied by the Project Rates calculated in accordance with Schedule D (Charges) for the applicable skill classifications. The estimate will be provided with a variance of "worst case" to "best case".
 - 4.3.2. where the Supplier proposes using any Service Personnel already performing Services under the Agreement, such Service Personnel will be identified in the New Services Project Order and Eskom will not be additionally charged for the time spent by such Service Personnel performing activities under a New Services Project Order unless:
 - 4.3.2.1. such Service Personnel have been transferred from the role they were performing as part of the Services elsewhere under the Agreement and replaced by other Supplier personnel; or
 - 4.3.2.2. such Service Personnel are not dedicated to the Services and their performance of the Services elsewhere under the Agreement is charged to Eskom on a per event basis (for example, those Service Personnel performing break/fix type Services on a non-dedicated basis);
 - 4.3.3. any minimum period of notice required to be given by Eskom in the event it wishes to cancel the proposed Project in accordance with section 12 and any costs which are required to be paid by Eskom on such cancellation;

- 4.3.4. the Supplier's charges (if any) for providing ongoing maintenance services on completion of the Project;
 - 4.3.4.1. any reimbursable third-party charges that the Supplier will incur in completing the Project;
 - 4.3.4.2. if the Project contemplates the licensing of third-party Intellectual Property Rights, the licence and maintenance fees for such third-party Intellectual Property Rights and any third-party charges to perform work required for the Supplier to complete the relevant phases of the Project. The Supplier will make such arrangements with the Third-Party suppliers of Software such that all such licence and maintenance fees and third-party charges will be fixed for the period referred to in section 4.5;
 - 4.3.4.3. a draft Project plan (including all Project Deliverables target dates); and
 - 4.3.4.4. the agreed pricing basis (e.g. fixed price, time and materials) for the Supplier's services in performing the Project.
- 4.4. The Supplier's estimate will be broken down by Project phase or as otherwise required by Eskom so that Eskom can understand and assess the estimate.
- 4.5. Each proposed Project is required to be approved by the Eskom Executive (or his/her designate) and the Project sponsor (as identified in the relevant New Services Project Order) ("**Project Sponsor**") (or his/her designate). Eskom will notify the Supplier whether it approves or rejects the project quote estimate or Fixed Price (as applicable) within similar time periods to those required for preparation of the project quote estimate or Fixed Price (depending upon the classification agreed in accordance with section 2.1.2). The project quote estimate or Fixed Price (as applicable) will be held open for acceptance by Eskom for 3 (three) Months from the date of receipt by Eskom.
- 4.6. If Eskom approves the project quote estimate or Fixed Price (as applicable) unchanged, the Supplier will prepare, and the Parties will sign a New Services Project Order in accordance with the pro-forma New Services Project Order set out in Annex F-2-1 (New Services Project Order). Such New Services Project Order will contain the project quote estimate or Fixed Price (as applicable) that has been approved by Eskom.

Where Eskom requests any changes to the project quote estimate or Fixed Price (as applicable) then the process set out in section 2 will be repeated.

- 4.7. Where a project quote estimate set out in a New Services Project Order is on a time and materials basis, as soon as the Supplier becomes aware that it will not be able to conclude the Project within the project quote estimate, it will notify the Project Sponsor (or his/her delegate) in writing. Eskom will then be entitled to decide, at its sole discretion, whether to authorise the Supplier to continue with the Project or whether to request that the Supplier ceases work once the charges in the project quote estimate have been reached. Without written authority from the Project Sponsor (or his/her delegate), the Supplier will not be entitled to continue with the Project outside the agreed parameters of the project quote estimate and will not be entitled to payment for the same, should it continue without such authority.
- 4.8. Where a Fixed Price is set out in a New Services Project Order, the Supplier will be required to conclude the Project for the Fixed Price, and, subject to section 8, will be entitled to no further payment from Eskom irrespective of the Supplier's internal additional costs in performing the same.

5. **NEW SERVICES PROJECT ORDER**

- 5.1. Each New Services Project Order prepared in accordance with this Appendix F-2 (New Services Project Process) will only be effective once signed by the Supplier and by the Eskom Executive and Project Sponsor.
- 5.2. The Supplier acknowledges that the costs of preparation and assessment of each New Services Project Order are included within the Services set out in Schedule B (Service Description) and it will not be entitled to charge any additional Charges for such activity.
- 5.3. Each such New Services Project Order will set out the terms upon which the Supplier will provide the Project.
- 5.4. Each New Services Project Order will be governed by the Agreement.

- 5.5. The Parties will complete all sections and provide all information (as applicable) as set out in the instructions contained in the New Services Project Order.
- 5.6. All activities carried out by the Supplier or a Subcontractor pursuant to a New Services Project Order will be treated as Services under the Agreement.
- 5.7. All Software or Materials developed as part of a Project will be owned by Eskom in accordance with the Terms and Conditions.

6. **PROJECT CHARGES**

- 6.1. If the Supplier performs an investigation / feasibility phase for a Project under a New Services Project Order, such investigation / feasibility phase is included within the Services set out in Schedule B (Service Description) and the Supplier will not be entitled to any additional Charges for such activity.
- 6.2. If Eskom does not approve the project quote estimate pursuant to section 2, then the Supplier will not be entitled to charge for any work performed in connection with the Project.
- 6.3. If Eskom approves any project quote estimate and subsequent New Services Project Order, in accordance with section 2, the Supplier will complete the Project within the relevant time period in accordance with the relevant Project plan.
- 6.4. The Supplier's charges for any Project under such New Services Project Order will equal the sum of:
 - 6.4.1. for all Projects (or specified parts thereof) that are performed on a time and materials basis:
 - 6.4.2. the actual person hours expended in performing the Project multiplied by the applicable Project Rates calculated in accordance with Schedule D (Charges); plus

6.4.3. the actual licence and maintenance fees for any approved third party Intellectual Property Rights that the Parties have agreed the Supplier will provide pursuant to the Terms and Conditions, and related third party charges ("**Third Party Fees**") unless at the time of requesting the project quote estimate, Eskom requests, and the Supplier agrees, to take the risk of any increase to such Third Party Fees after the period specified in section 4.3.4.2 in which case, the Third Party Fees charged will not exceed those specified in the project quote estimate;

6.4.3.1. any agreed expenses calculated in accordance with Schedule D (Charges); and

6.4.3.2. any other Supplier charges specified and agreed in the relevant New Services Project Order; and

6.4.3.3. for Projects (or specified parts thereof) that are performed on a fixed price basis, the Fixed Price.

7. **CHANGE PROCEDURE FOR PROJECTS**

7.1. Eskom or the Supplier may propose changes to a Project at any time. If the proposed change will increase or decrease the project quote estimate or the Fixed Price (as the case may be), or increase or decrease the time period within which the Supplier will complete and deliver the Project, the Supplier will promptly provide Eskom with a revised project quote estimate or Fixed Price (as the case may be) with a validity period of thirty (30) days from the date of such estimate or quote. The revised project quote estimate or Fixed Price (as the case may be) will include the elements described in section 4.3. The Supplier will not proceed with any work resulting from the proposed change to scope or timing until Eskom approves in writing the revised project quote estimate or Fixed Price (as the case may be).

7.2. All changes to Projects, a project quote estimate or the Fixed Price (as the case may be) must be approved in writing by the Eskom Executive and Project Sponsor in advance of the Supplier incurring any additional costs. The Supplier will not be entitled to charge Eskom retrospectively for any unapproved changes, and such changes will be conducted at the Supplier's own cost and risk.

8. GENERAL OBLIGATIONS

- 8.1. All project quote estimates or Fixed Prices (as the case may be) must be in a format agreed by Eskom. All project quote estimates must be based on a reasonable and bona fide estimate of the amount of Chargeable Time required to complete the work multiplied by the Project Rates (as referred to in Schedule D (Charges)).
- 8.2. The Supplier will use Commercially Reasonable Efforts to ensure that the Supplier completes the work set out in the relevant New Services Project Order within the relevant project quote estimate.
- 8.3. The Supplier will be responsible for the successful delivery of all Deliverables in respect of the Project. Each New Services Project Order will detail the overall scope of work and the full Project Deliverables expected from the Project.

9. ACCEPTANCE PROCEDURE FOR DELIVERABLES PROVIDED UNDER PROJECTS**9.1. Acceptance Procedure for non-Software Deliverables**

- 9.1.1. Eskom and the Supplier will jointly develop and agree a sign-off process prior to completion of the New Services Project Order for the relevant Project. Such sign-off process shall set out the criteria and basis upon which the Deliverables will be signed off and, where applicable, tested to determine whether such Deliverables meet the Statement of Requirements. In the event that the Parties are unable to agree such process, with both Parties acting reasonably and in good faith, the New Project will not proceed.
- 9.1.2. Subject to the specifics of the relevant sign-off process, a Deliverable will be considered successfully completed when such Deliverable:
 - 9.1.2.1. has been delivered to Eskom as set out in the relevant New Services Project Order;
 - 9.1.2.2. conforms to the Statement of Requirements; and

9.1.2.3. to the extent necessary, successfully interfaces with Eskom's existing procedures or processes in a manner which meets the relevant part of the Statement of Requirements.

9.1.3. For each Project, the formal sign-off by Eskom in accordance with section 9.1.1 shall acknowledge completion of that Deliverable for a Project and shall constitute an acceptance by Eskom that such Deliverable has been delivered to Eskom. However, where such Deliverables are intended for integration within Eskom's operations (for example processes or procedures) such sign-off shall not be deemed to constitute, and shall not constitute, an acknowledgement that such Deliverable is of sufficient quality and the Supplier acknowledges that further development, correction, redesign and re-issue of such Deliverable may be required.

10. GENERAL PROVISIONS FOR ALL ACCEPTANCE PROCEDURES

10.1. Each New Services Project Order shall specify which individuals will sign-off on all Deliverables.

10.2. The Parties will comply with their respective obligations under each acceptance plan.

10.3. Payment by Eskom for any Services performed in the provision of any Deliverables shall not be deemed to constitute acceptance of any Deliverables.

10.4. The Supplier shall not be entitled to issue Invoices in respect of any Project Deliverable until the relevant Deliverables have been signed off in accordance with the agreed process.

11. GENERAL PERSONNEL OBLIGATIONS

11.1. The Supplier will:

11.1.1. identify the roles and functions which will be required to resource the relevant Project (the "**New Services Project Positions**");
and

11.1.2. propose candidates to be deployed in leadership positions in the Project team. If Eskom agrees with such recommendation, the agreed candidates will be named in the New Services Project Positions in the New Services Project Order.

11.2. Unless otherwise agreed between the Parties in writing or in the relevant New Services Project Order, Service Personnel performing any Projects will not be reassigned or replaced by the Supplier for the duration of the period specified in the relevant New Services Project Order or until completion of the relevant role or task being undertaken by the individual, if earlier, unless the individual resigns from his or her employment (other than in circumstances where the individual is claiming constructive dismissal) or terminates his or her contract with the Supplier or is unable to work owing to mental or physical incapacity for a period exceeding 15 (fifteen) Business Days, or is reasonably dismissed, or terminated, for misconduct, or is unable to work owing to personal circumstances.

11.3. The provisions relating to Service Personnel (HR provisions) will apply to Service Personnel performing Projects, as applicable, and will be subject to Schedule O (HR Provisions).

12. **CANCELLATION OF A PROJECT**

12.1. Unless otherwise agreed with Eskom in a New Services Project Order, Eskom may, at its sole option and in its absolute discretion, by giving written notice to the Supplier, cancel a Project at any time, as of the date specified in the notice of cancellation. From such cancellation date, the Supplier will immediately cease work in accordance with that notice.

12.2. Unless otherwise agreed in a project quote estimate, where a Project priced on that basis is cancelled by Eskom in accordance with section 12.1, the Supplier will not be entitled to charge any additional fees, costs or expenses beyond any applicable time and materials charges accrued up to and during the cancellation notice period.

12.3. Where a Project priced on a Fixed Price basis is cancelled by Eskom in accordance with section 12.1, unless the relevant New Services Project Order contains details of how the charges will be affected by any early cancellation of the Project by Eskom in accordance with section 12.2, the Supplier will be entitled to charge Eskom an agreed sum proportionate to the percentage of work completed up to the date given in the cancellation notice.

ANNEX F-2-1 PRO FORMA NEW SERVICES PROJECT ORDER

[Drafting Note: Eskom pro-forma New Services Project Order to be provided during Transition and incorporated as an annexure to this Schedule.]