



# **MINAS DE BENGA, LDA (MBL)**

TETE, MOZAMBIQUE

Tender No: TE089/2016

Volume 1 of 4

**TENDER**

THROUGH

**INTERNATIONAL COMPETITIVE BIDDING**

**FOR**

**COAL MINING OPERATION SERVICES**

**AT THE BENGA MINE**

Dated: 4<sup>th</sup> of May 2017

Last date of Bid Submission: 9<sup>th</sup> of June 2017

## TABLE OF CONTENT

CHAPTER 1 .....	5
1. DISCLAIMER .....	6
CHAPTER 2 .....	8
2. BID PROCESS TIMELINE .....	9
CHAPTER 3 .....	10
3. DEFINITIONS .....	11
CHAPTER 4 .....	14
4. GEOGRAPHY .....	15
4.1 Location .....	15
4.2 Climate .....	15
4.3 Topography .....	16
4.4 Surface Water .....	16
CHAPTER 5 .....	17
5. ELIGIBILITY CRITERIA .....	18
5.1 Techno- Commercial Eligibility Criteria .....	18
5.2 Legal Eligibility for the Tender .....	18
5.3 Financial Eligibility Criteria of the Tender .....	19
5.4 General Criteria .....	19
CHAPTER 6 .....	20
6. INSTRUCTION TO BIDDER .....	21
6.1 General Instructions .....	21
6.2 General Tender Conditions .....	21
6.4 Signing of the Proposals .....	23
6.5 The right of Minas de Benga, Lda to cancel or reject any proposal whatsoever .....	23
6.6 Responsibility of Minas de Benga, Lda for expenses incurred by Bidders .....	23



6.7	Confidentiality of the contents of the documents.....	23
6.8	Late Proposals .....	24
6.9	Tenderer to acquaint with the Local conditions and Rules & Regulations: .....	24
6.10	Formats to be completed by Bidders (As per Chapter 8).....	25
6.11	Disqualifications .....	28
6.12	Clarification from Bidder.....	29
6.13	Rules of Construction .....	29
6.14	Governing Law.....	29
<b>CHAPTER 7 .....</b>		<b>30</b>
<b>7.</b>	<b>SPECIAL CONDITIONS OF CONTRACT .....</b>	<b>31</b>
7.1	Condition for Consortium .....	31
7.2	Bid Price Basis.....	32
7.3	Bid Evaluation Criteria .....	34
7.4	Contract Quality Assurance .....	34
7.5	Completeness of the Agreement .....	34
7.6	Failure to Execute Agreement .....	34
7.7	Equipment Specification .....	35
7.8	Signing of Agreement.....	35
7.9	Monthly Schedule .....	35
7.10	Penalties .....	36
7.11	Measurement of ROM quantities for payment .....	37
7.12	Non-Exercise of Power Not to Constitute Waiver.....	38
7.13	Competent and Statutory Persons .....	38
7.14	Commencement of Work.....	39
<b>CHAPTER 8 .....</b>		<b>40</b>
<b>FORMAT 1 - EXECUTIVE SUMMARY .....</b>		<b>41</b>



<b>FORMAT 2 - COVERING LETTER FOR TECHNO COMMERCIAL BID</b> .....	42
<b>FORMAT 3 - SUBMISSION OF TECHNICAL DOCUMENTS AS PER QUALIFYING REQUIREMENTS</b> .....	44
<b>FORMAT 4 - SUBMISSION OF FINANCIAL DOCUMENTS AS PER QUALIFYING REQUIREMENTS</b> .....	46
<b>FORMAT 5 - SUBMISSION OF ADDITIONAL INFORMATION</b> .....	48
<b>FORMAT 6 - PRICE BID</b> .....	49
<b>FORMAT 7 – EARNEST MONEY DEPOSIT (EMD) BANK GUARANTEE</b> .....	50
<b>FORMAT 8 - PERFORMANCE BANK GUARANTEE</b> .....	53
<b>FORMAT 9 - DEVIATION IF ANY NECESSARY</b> .....	56
<b>FORMAT 10 - CAPACITY TO SIGN DOCUMENTS</b> .....	57
<b>FORMAT 11 - DESCRIPTION OF WORKS CARRIED OUT BY THE BIDDERS</b> .....	58
<b>FORMAT 12 - STATEMENT OF EQUIPMENT &amp; MACHINERIES TO BE DEPLOYED FOR THE WORK</b> .....	59
<b>FORMAT 13 - DESCRIPTION OF VEHICLES TO BE USED IN THIS AGREEMENT</b> .....	60
<b>FORMAT 14 – DESCRIPTION OF WORKERS</b> .....	61
<b>FORMAT 15 – CORPORATE GUARANTEE</b> .....	62
<b>FORMAT 16 – MOBILISATION ASSISTANCE BANK GUARANTEE</b> .....	65
<b>ANNEXURE - A</b> .....	68
<b>FACILITIES</b> .....	74
<b>SCHEDULE</b> .....	75
<b>INDICATIVE CHECK LIST FOR SUBMISSION OF BID</b> .....	76
<b>ADDITIONAL INFORMATION TO THE BIDDER</b> .....	79
<b>ANNEXURE B</b> .....	80
<b>General Terms and Conditions governing conduct of On-line Reverse Auctions</b> .....	80



# **CHAPTER 1**

## **Disclaimer**

## 1. DISCLAIMER

- 1.1 The purpose of this document and any attachment thereto or part there of (hereinafter “Document” or “Bid Document”) is to provide interested parties with information to facilitate the formulation of their Techno Commercial and Price Bid.
- 1.2 This document does not purport to contain all the information each Bidder may require. The Document may not be appropriate for all persons, and it is not possible for Minas de Benga, Lda (hereinafter “MBL”) MBL to consider the needs of each party who uses or reads the Document. The concerned parties should conduct their own investigations and analysis and should verify the accuracy, reliability and completeness of the information in the Document and may obtain independent advice from appropriate sources.
- 1.3 Neither MBL nor its employees make any representation or warranty as to the accuracy, reliability or completeness of the information in this Document.
- 1.4 Neither MBL nor its employees shall have any liability to any Bidder or any other person under the law of contract, tort, the principles of restitution or unjust enrichment or otherwise for any loss, expense or damage which may arise from or incurred or suffered in connection with the Document, or any matter deemed to form part of this Document, the award of the work, or the information supplied by or on behalf of MBL or its employees or otherwise arising in any way from the selection process for the tender.
- 1.5 The Document and the information contained herein are strictly confidential and privileged and are for the exclusive use of the party to whom it is issued. The Document must not be copied or distributed by the recipient to third parties other than, to the extent required by the applicable law or in confidence to the recipient’s professional advisors, provided that such advisors are bound confidentiality restrictions at least as restrict as those contained in the Document. In the event that after the issue of this Document the recipient does not continue with its involvement in the bidding process for any reason whatsoever, the Document and the information contained herein must be kept confidential by such party and professional advisors at all times.
- 1.6 MBL reserves the right to change, modify, add, alter this Document or cancel the bidding process without assigning any reason thereof, at any time during the bidding process. All parties to whom this Document has been issued shall be intimated by such change. The Bidders or any third party shall not object to such

changes/modifications/additions/alterations explicitly or implicitly. Any such objection by the Bidders shall make the Bidder's proposal liable for rejection by MBL. Objection by any third party shall be construed as infringement on confidentiality and privileged rights of MBL with respect to the Document. MBL has the right to reject the bids submitted by the Bidders without assigning any reasons thereof.

- 1.7 The Bidder shall not make any public announcements with respect to this Bidding process or the Document. Any public announcements to be made with respect to this bidding process or the Document shall be exclusively made by MBL. Any breach by the Bidder of this clause shall be deemed to be non-compliance with the terms and conditions of the Document and shall render the Proposal liable for rejection. MBL's decision in this regard shall be final and binding upon the Bidder.
- 1.8 It is clarified that the provisions of point no 1.5, 1.6 and 1.7 shall not apply to information relating to this Document already available in the public domain prior to the issue of the Document.
- 1.9 Submission of Bid shall amount to undertaking for not challenging the provisions of the Bid Document
- 1.10 The Bidder shall bear all costs associated with the preparation and submission of the techno commercial and Price Bid. MBL shall not, under any circumstances, be responsible or liable for any such costs.
- 1.11 The Bid Document is not transferrable.



# CHAPTER 2

## Bid Process Timeline

## 2. BID PROCESS TIMELINE

S. No	Particulars	Date
1	Issue of Invitation to Bid	04.05.2017
2	Pre Bid conference	18.05.2017 at 10 AM
3	Address and contact detail	Training Centre ICVL Mozambique Tete, Mozambique Contact person : Maholela Jacob Contact number: 258820009280 E mail id : Jacob.maholela@icvl.co.mz
4	Last Date of Seeking Clarifications on Bid Document	25.05.2017
5	Last Date of Submission of Bid	09.06.2017 up to 15.00 hours ( Mozambique Standard Time i.e. GMT + 2 hours )
6	Opening of Techno Commercial Bid	09.06.2017 ; 15.30 hours ( Mozambique Standard Time i.e. GMT + 2 hours)



# **CHAPTER 3**

## **Definitions**

### 3. DEFINITIONS

- 3.1 **"Agreement"** and/or **"Contract"** means Coal Mining Services Agreement (including but not limited to Schedules, Attachments and Annexures), Bid Document or and any other agreement which may be entered into between MBL and Successful Bidder.
- 3.2 **"Authorized Representative(s) and Signatories"**: Each Bidder shall designate a maximum of two persons ("Authorized Representatives and Signatories") authorized to represent the Bidder in all matters pertaining to its bid. These designated persons should hold the Power of Attorney duly authorizing them to perform all tasks including but not limited to signing and submission of proposal; to participate in all stages of the bidding process; to conduct correspondence for and on behalf of the Bidder, with whom all communications by MBL in respect of this tender shall be deemed to be with the Bidder itself and to execute the Coal Mining Services Agreement and any other documents required to give effect to the outcome of the Bidding process. The original Power of Attorney, duly notarized, in favor of the Authorized Representatives and Signatories shall be enclosed by the Bidder along with the covering letter.
- 3.3 **"Bidder"** shall mean a single corporate entity or a Consortium that submits a Bid in response to this Document.
- 3.4 **"Consortium"** shall mean a group of up to three (3) corporate entities (members) which have formed a Consortium for submission of the Bid in response to this Document.
- 3.5 **"Contract Execution Date"** means the date on which the Agreement/Contract is signed between MBL and the Successful Bidder or LOI (Letter of Intent) is issued to the Successful Bidder, whichever is earlier.
- 3.6 **"Commercial Production Date"** means the first day of the month (30 days period) at the end of which 50% of the full production of ROM Coal (4.5MTPA/12 x 50%) to the Delivery Point has been achieved.
- 3.7 **"Commercial Production Period"** means period of 5 (Five) years from the date of Commercial Production Date which may be extended at the discretion of MBL.
- 3.8 **"Contract Value" or "Contract Price"** means the total quantity of ROM (4.5 MTPA) to be produced during the Commercial Production Period multiplied by the price

offered by the Bidder plus applicable taxes i.e. 4.5 MT x 5 years x Price in US Dollar of ROM per Tonne + Applicable Taxes.

- 3.9 **"Delivery Point"** means ROM Coal delivered at CHPP Primary Feeder Hopper as per the Scope of Work.
- 3.10 **"Document"** refers to this bid document and any other documents attached thereto or part thereof which comprises of definitions, rules of construction, description of the selection process, qualifying requirements and instruction to Bidders, corrigenda and addenda, if any issued at a later date to enable the Bidders to prepare their proposal for qualification.
- 3.11 **"Earnest Money Deposit"** shall mean the amount equivalent to **USD 150,000.00 (One Hundred Fifty Thousand United States dollars)** to be furnished by the Bidder towards bid security in the form of bank guarantee or wire transfer to MBL's bank account along with Part A of the bid.
- 3.12 **"Leader of the Consortium"** shall mean a corporate entity (member) of the Consortium who is designated to represent the Consortium in every transactions and decisions before any third parties including MBL.
- 3.13 **"MBL"** means Minas de Benga, Lda a company incorporated under the laws of Mozambique having its registered office/ place of business at Av. 24 de Julho, No. 1123, 4th Floor, Edifício 24, Maputo, Mozambique
- 3.14 **"Mine"** shall mean the open cast coal mine of MBL located at Benga locality , Moatize District, Tete Province, Mozambique
- 3.15 **"Net Worth"** means net worth of the bidder calculated as below :-  
$$\text{Net Worth} = \text{Fixed Assets} + \text{Current Assets} - \text{Current Liability} - \text{Long term loans}$$
- 3.16 **"Performance Bank Guarantee"** shall mean a sum equivalent to 2% (two per cent) of the total Contract Value in the form of bank guarantee towards performance security to be furnished by the Successful Bidder as per the terms and conditions of the Document.
- 3.17 **"Qualifying Requirements"** shall mean the requirements set forth in this Document for the purpose of evaluation and selection of the Successful Bidder including but not limited to Eligibility Criteria.



- 3.18 "**Successful Bidder**" shall be the Bidder qualified as per the Qualifying Requirements to whom LOI (Letter of Intent) is issued.
- 3.19 "**Stripping Ratio**" shall mean the quantities of Waste/Overburden/Inter-burden termed as OB in BCM (Bank Cubic Meter) to be excavated for production of one (1) tonne of ROM Coal by the Successful Bidder in accordance with the terms of the Agreement.



# CHAPTER 4

## Geography

## 4. GEOGRAPHY

### 4.1 **Location**

The Site is located in Benga locality, Moatize district, in the Tete Province in north western Mozambique. The city of Tete is the provincial capital of Tete Province located on the southern side of the Zambezi River. Tete is 1,100 km by air from the capital Maputo, on the southern Mozambique coast and 590 km from the port of Beira. Access to the region is currently by air and road.

The Site is located between the regional centers of Tete and Moatize. The western margin of the Site is adjacent to the Revuboe River, a major tributary to the Zambezi River, which flows along the south-west and southern boundaries of the Site. The eastern margin of the Site is adjacent to the tenement held by Vale.

### 4.2 **Climate**

The Site is influenced by the inter-tropical convergence zone, but is too far inland to experience the moderating influence of the sea. Temperatures are generally high and rainfall is low. Three seasons can be differentiated on the basis of rainfall and temperature: a hot, wet season; a cold, dry season, and hot, dry season.

**The Hot, Wet Season:** the rainy season lasts a few months, from late October/mid-November to about March. Rainfall is unreliable; the season usually begins abruptly and ends gradually, sometimes before mid-March but in other years extending well into April. The season is characterized by hot and humid conditions with average monthly temperatures of around 24 Degree C minimum and 35 Degree C maximum. Monthly rainfall is typically 140 mm.

**The Cold, Dry Season:** in some years, when the rains finish early, there is an extended transitional period into the cold, dry season, but normally it runs from May until temperatures rise sharply again in late August or early September. The coolest period is experienced during June/July; however, frost is unknown. Average monthly temperatures are typically around 18 degree C minimum and 32 degree C maximum. Monthly rainfall is typically <5mm.

**The Hot, Dry Season:** this extends from early September until the rains break in late October/mid-November. Highest temperatures (up to 36 degree C average monthly maximum) are recorded in late October.

#### 4.3 **Topography**

Part of the Site comprises the flood plains of the Revuboe and Zambezi Rivers, where the terrain is flat, rising away from the rivers onto the higher lying ground along the eastern boundary of the Site. This boundary is marked by a range of low hills, which trend North West – South East and reach an elevation of around 250 m above sea level, which is some 125 m above the level of the Zambezi River at Tete. Beyond the river flood plains, the terrain is locally complex, with interlocking hills and shallow valleys predominating.

#### 4.4 **Surface Water**

The surface water flow reflects both the seasonal fluctuations in rainfall and the natural topography. All runoff eventually drains to the two major river systems but due to the relatively flat terrain, scouring and erosion is not significant.



# **CHAPTER 5**

## **Eligibility Criteria**

## 5. ELIGIBILITY CRITERIA

### 5.1 **Techno- Commercial Eligibility Criteria**

- 5.1.1 The Bidder must certify that they have the capability to mobilize all equipment, facilities & Manpower to achieve 100% production as per the time schedule given in Annexure “A”.
- 5.1.2 The prospective bidder should have successfully executed/ or successfully running mining contract excavating 15 MTPA, out of which 10 MTPA (ROM & Waste/ROM/Waste) from a single open cast coal mine and balance 5 MTPA from any type and any number of open cast mines globally in any one year during last 7 years ending last day of submission of bid.

### 5.2 **Legal Eligibility for the Tender**

- 5.2.1 The validity of the award of proposals will be subject to the completion of the following requirements by the Bidders:
- a) Certificate of Registration as legal entity;
  - b) Articles of Association (as published in the Official Gazette);
  - c) Declaration stating that there is no foreclosure or a bankruptcy petition which may affect their financial capacity;
  - d) Business Licence or equivalent document issued by the competent authorities;
- 5.2.2 The Bidder who wins the tender may not assign its contractual position without authorization of Minas de Benga, Lda.
- 5.2.3 Similarly, if the bids are submitted by Consortium, it has to be accompanied by the following documents:
- a) The original or certified copy of the joint-venture agreement or document of incorporation as legal entity, which must define the terms and conditions of the Consortium, the period of its duration and the form of participation of the members of the Consortium,
  - b) Evidence of the delegation of powers by the members of the Consortium to the person who signs the proposal.

5.2.4 Successful Bidder will have to get itself registered in Mozambique as a legal entity incorporated in Mozambique as per the laws of the country, within 3 (three) months after the issuance of the Letter of Intent or before starting of mining operation , whichever takes place earlier.

### 5.3 **Financial Eligibility Criteria of the Tender**

5.3.1 The Bidder must have a profit making record of any 2 years in the last 5 years and with a minimum net worth of total USD 100 million (One hundred million United States Dollars). The Bidder seeking qualification on financial eligibility criteria based on the strength of its Parent/holding Company shall furnish a corporate guarantee (as per Format 15, Chapter 8) from the Parent/Holding Company along with the **TECHNO COMMERCIAL BID (Part-A)**.

### 5.4 **General Criteria**

5.4.1 A Bidder shall furnish the relevant documents in support of its technical experience and financial strength as required in the Eligibility Criteria, without which any claims pertaining to qualifying experience will not be accepted by MBL. In case the Bidder is a mine contractor then the Bidder should submit a copy of the contract agreement/ Work Order and certificate of production of Coal and overburden from the mine owner as documentary evidence in support of the experience. In the case of Mine owner self-certificate duly notarized or certificate from statutory auditor or copy of the statutory reports submitted to the Government indicating the total quantity produced/handled should be submitted.

5.4.2 The annual reports along with the financial statements of the Bidding Company and its Parent/holding wherever required, for the preceding 3 (three) financial years should be submitted by the Bidder.



# **CHAPTER 6**

## **Instruction to Bidder**

## 6. INSTRUCTION TO BIDDER

### 6.1 General Instructions

- a) Bidders are invited to present proposals for the tender for Mining Operation services of Minas de Benga, Lda, Tete, Mozambique
- b) Proposals should be valid for a period of 120 (one hundred and twenty) days, counting from the last date of submission of the Bid, and the Bidders commit themselves not to withdraw or change such proposals unilaterally during that period. Bids with shorter validity period may be liable for rejection.
- c) Proposals omitting any requested information may be rendered invalid, at the discretion of Minas de Benga, Lda.

### 6.2 General Tender Conditions

#### 6.2.1 Tender Documents

- a) Bidders shall ensure that the documents are complete and in accordance with the contents of the tender. Minas de Benga, Lda accepts no liability for any errors or omissions in the proposal due to discrepancies, or similar, that has not been rectified during the tender period.
- b) Any conditions in the proposals that are contrary to the tender requirements may be considered invalid.
- c) All information accompanying proposals shall only serve as reference and will be considered jointly with the standard specifications.

#### 6.2.2 Currency of the Contract

All deposits and payments will be made in United States Dollars (USD).

#### 6.2.3 Language

Proposals must be presented in English and the Contract shall be drafted and signed in English language

#### 6.2.4 General

- a) Bid must be in legible writing and all blank spaces in white must be completed in the Formats attached.
- b) Bid shall be submitted in 2 (two) parts, "**TECHNO COMMERCIAL BID (Part-A)**" and "**PRICE BID (Part-B)**". Part A shall contain technical offer, legal document, commercial

conditions and blank format of Price Bid signed & stamped (without any rate or amount) as a confirmation of Price Bid being unconditional. **PRICE BID (Part-B)** shall only contain the Price Schedule duly filled in without any additional condition.

- c) Price shall be presented separately in the Price bid format and the price bid should be submitted in a separate cover. Price should not appear anywhere except in the price bid to be submitted separately.

Any correction in the bid by use of products such as liquid correctors is strictly forbidden.

### 6.3 Submission of the proposals/Bids

6.3.1 Proposal/Bid shall be submitted accompanied by all duly completed attached documents. Proposals shall be presented in sealed envelopes. The sealed envelope consisting of **Part A** shall be submitted bearing the reference “**TENDER FOR COAL MINING OPERATION SERVICES OF MINAS DE BENGA, LDA. TETE, MOZAMBIQUE, Reference: TE089/2016**” and shall be submitted up to the date and time of submission of Bid mentioned in the tender document, either in hard copy or in soft copy. In the case of hard copy, two versions (Original + Copy) shall be submitted in the Tender Box located at MBL Training Centre in Tete, Bairro Comunal de Matundo, Estrada Nacional nº 7. The bidders can also submit the Techno Commercial Bid electronically on the mail id **techno.mining@icvl.co.mz** .

6.3.2 On the e-mail containing Techno Commercial bid the tenderer will write “**TECHNO COMMERCIAL BID (Part-A) Coal Mining Operation Services (Tender number TE089/2016)**” and shall be submitted in the e mail id **techno.mining@icvl.co.mz** .If the file size of the Techno Commercial Bid exceeds 10 MB the bid can be submitted in parts. e.g. Techno Commercial Bid Part A 1 of 6; 2 of 6, so on and so forth. **Price Bid shall be submitted as under:-**

#### **ONLINE PRICE BID:**

Online Sealed Price Bid should only be submitted on-line to M/s Mjunction Services Limited, Kolkata within due date & time of submission. Process of Placement of Online Sealed Bid at Mjunction Services Ltd., Kolkata

Steps :

- 1.Log on to **www.buyjunction.in**
- 2.Click on New User or Existing User to know the details of process of bid submission

3. Submit your Online Sealed Bid for the mining operations and take a print out of receipt of bid submitted.

**Discovery of Price:**

ICVL reserves the right for price discovery by Reverse Auction which will be done by ICVL's service provider M/s Mjunction Services Limited. Price bidding shall be done through online Reverse Auction over Internet, among techno-commercially acceptable tenderers, as assessed by ICVL. The schedule and details of Reverse Auction event shall be communicated by the Service Provider of ICVL i.e M/s Mjunction Services Limited. The Service Provider will explain the Reverse Auction process to all the prospective bidders and clarify any issue

**6.4 Signing of the Proposals**

Proposals submitted shall be signed by the Bidder's Authorized representatives.

**6.5 The right of Minas de Benga, Lda to cancel or reject any proposal whatsoever**

Award of the work will be at the absolute discretion of MBL, which shall be final. MBL reserves to itself the right to cancel the tender process without assigning any reason whatsoever and without reimbursing for any costs, charges, expenses incidental to or incurred by any party to the tender process whomsoever, through or in connection with the preparation and submission of the bids.

A Bidder whose bid is not accepted or is rejected shall not be entitled to claim any costs, charges, expenses incidental to or incurred by the Bidder, through or in connection with the preparation and submission of the bid. Conditional bids may be rejected without assigning any reasons whatsoever.

**6.6 Responsibility of Minas de Benga, Lda for expenses incurred by Bidders**

Minas de Benga, Lda. will not be liable for any expenses incurred by Bidders in preparing and submitting their proposals or document.

**6.7 Confidentiality of the contents of the documents**

All communications/discussions in relation to the tender, irrespective of the submission of proposals, shall be treated by the Bidder as private and confidential.

## 6.8 **Late Proposals**

Proposals received after the closing hour of the tender, shall be declared null and void and shall not be taken into consideration.

## 6.9 **Tenderer to acquaint with the Local conditions and Rules & Regulations:**

Tenderer should, in their own interest, visit the work site to satisfy themselves as to the source of supply of the materials and sufficiency and adequacy thereof in relation to the purposes for which they are intended. It will be presumed that Bidders have visited and seen the site at which the work is to be executed and that bids are based on a full knowledge of working conditions of soil, availability of materials, water, electric power, labour, transportation facilities, probable sites for labor camps and stores, go downs, and the extent of lead and lift and all other factors involved in the execution of the works. Such visit shall be undertaken by the Bidder at their own cost and MBL shall bear no liability for the same.

Any information or any matter derived from the tender documents or obtained from MBL shall not absolve or relieve the tenderer of any risk or of fulfilling all the terms and conditions of the bid including execution of all details which shall also cover incidental works not particularly mentioned in the tender documents but which, whether temporary or permanent, must evidently be required by reason for the nature of the works included in the tender. It shall be deemed that the tenderer has understood the position as set forth above while framing his bid.

Any neglect or omission or failure on the part of the Bidder in obtaining necessary and reliable information or on any other matter affecting the Bidder, shall not relieve the Bidder from any risk or liability or the entire responsibility for completion of the work in accordance with the Bidding Documents.

In their own interest, the Bidders are requested to familiarize themselves with the Tax laws, the Companies Act, the Customs Act and all other related acts and laws prevalent in Mozambique.

The bidders shall also be provided on request resource model, geology, Mine plan, surface plan and critical cross sections of the mining area. The bidders may obtain the same by writing a mail on [mining.tender@icvl.co.mz](mailto:mining.tender@icvl.co.mz).

## 6.10 Formats to be completed by Bidders (As per Chapter 8)

**Format 1 - Executive Summary:** The executive summary should contain a one page write up about the Bidder, providing the Business Profile of the company and key achievements in the mining sector. (Chapter 8: Format 1 )

**Format 2 - Covering letter for Techno Commercial Bid:** The covering letter is required to be submitted by the Bidder on their letter head. (Chapter 8; Format 2)

**Format 3 - Submission of technical documents as per qualifying requirements:** The covering letter is required to be submitted by the Bidder on their letter head. (Chapter 8: Format 3)

**Format 4 - Submission of financial documents as per qualifying requirements:** The covering letter is required to be submitted by the Bidder on their letter head. (Chapter 8: Format 4)

**Format 5 - Submission of additional information:** The covering letter is required to be submitted by the Bidder on their letter head. (Chapter 8: Format 5)

**Format 6 - Price Bid:** Bidders shall submit their financial proposal in the prescribed price bid format. (Chapter 8: Format 6)

**Format 7 - EMD Bank Guarantee:** Bank Guarantee for an amount of USD 150,000.00 (One Hundred Fifty Thousand United States Dollars) in the prescribed format shall be submitted along with “**TECHNO COMMERCIAL BID (Part-A) Coal Mining Operation Services (Tender number TE089/2016)**”. (Chapter 8: Format 7)

**Format 8 - Performance Bank Guarantee:** Bank Guarantee for an amount equivalent to 2% of the total Contract Value as per the prescribed format. (Chapter 8: Format 8)

**Format 9 - Deviation:** Bids submitted with deviations are liable for rejection. In case the Bidder feels some deviations as essential for the sake of clarity for such deviations, Bidder shall submit a separate deviation statement along with the technical bid as per the format. (Chapter 8: Format 9)

**Format 10 – Capacity to sign documents:** Bidders shall present evidence that the proposal has been signed by the Authorized Representative and shall duly complete Format 10. Lack of compliance with this requirement may lead to rejection of the proposal. (Chapter 8: Format 10)

**Format 11 – Description of works carried:** Bidders shall present a statement indicating their experience of mining operation works as described in this Document. To this purpose, Bidder shall complete the “List of Previous Works executed by the Bidder”, inserted in this document. (Chapter 8: Format 11)

**Format 12 – Statement of Equipment and Machineries to be deployed:** Bidder shall provide complete detail of the equipment and machineries to be deployed. (Chapter 8: Format 12)

**Format 13 – Description of Vehicles to be used:** Bidder shall submit complete list of vehicles to be deployed. (Chapter 8: Format 13)

**Format 14 – Descriptions of workers:** Bidder shall provide details of expected deployment of manpower with requisite qualification and experience (Chapter 8: Format 14). An indication of type and number of employees is provided at Annexure ‘A’ for reference.

**Format 15 – Corporate Guarantee:** The Bidding Company seeking qualification on financial eligibility criteria based on the strength of its Parent/holding Company shall furnish a corporate guarantee. (Chapter 8: Format 15)

**Format 16 – BG for Mobilisation Assistance :** Bidder shall submit Bank Guarantee (“BG”) to the extent of Mobilisation assistance availed from MBL (“Mobilisation Assistance Bank Guarantee”), subject to a maximum of USD 10 million (Ten million United States dollars), from MBL. The BG shall be valid until the Completion Date/end of contract. However, on yearly basis the value of BG may be revised by the successful bidder/Contractor to reflect the outstanding mobilization assistance amount after adjustment against running invoices

#### 6.10.1 Clarifications

- a) Bidders may seek clarifications, if required, on this Document as per timelines specified in this Document. Any request for clarification must be sent in writing by paper, mail to MBL’s address or electronic mail to [mining.tender@icvl.co.mz](mailto:mining.tender@icvl.co.mz).
- b) Any clarification and amendment issued prior to the last date of submission of bids would be uploaded on the website, i.e. [www.icvl.in](http://www.icvl.in). All Bidders are suggested to

visit the site from time to time. In case any queries remain un-replied, it shall be construed that in respect of those queries, the respective stipulations of the Bidding Document shall continue to apply and/or no new stipulations are made with respect to those queries.

- c) Any Corrigendum/ Addendum /Clarification and /Amendment to this Document issued by MBL on [www.icvl.in](http://www.icvl.in) shall also be considered as an integral part of this Document.

#### 6.10.2 EMD & Conditions for refund of EMD

- a) The Bid must be accompanied with an EMD of US\$150,000 (One Hundred Fifty Thousand United States Dollars) in the form of Bank Guarantee or Bank Transfer.

EMD Bank Guarantee should be as per Format 7 issued by/through a reputed commercial bank in Mozambique and shall be valid for the period of validity of the Bid. Scanned copy of the EMD Bank Guarantee should accompany “**TECHNO COMMERCIAL BID (Part-A)**” of the Bid and the original be sent to MBL office by secured mail.

In the case of Electronic Transfer, Each bid should be accompanied by proof of transfer (SWIFT etc.) of the Earnest Money of US\$150,000.00 (One Hundred Fifty Thousand United States Dollars) to the bank account of MBL given below:

Bank Name	: Standard Bank (Mauritius) Limited,
Account Name	: Minas de Benga, Limitada
Account Number	: 0140052016801
BIC (SWIFT)	: SBICMUMU
Currency	: USD
Account type	: Current Account

- No interest will be paid on the EMD so deposited.
- Offers submitted without specified EMD will be rejected summarily.
- The EMD of all the Bidders shall be refunded in case the bidding process is cancelled by MBL.
- EMD of other Bidders excluding Successful Bidder shall be refunded. The EMD of the Successful Bidder shall be returned after submission and acceptance of Performance Bank Guarantee by MBL.

- b) Without prejudice to any other rights available to it under Applicable Laws, MBL, reserves the right to forfeit EMD of the Bidder without any notice of proof or

damages to the Bidder on the occurrence of any one or more of the following events/circumstances:

- a) If the Bidder withdraws or modifies its offer unilaterally, partially or fully, during the validity period after submission of the Price offer;
- b) If there is any material misrepresentation of facts; or In case the Bidder submits, forged, bogus /or false certificates ;
- c) if any of the consortium member withdraws from the consortium before Contract Execution Date ;
- d) If the Successful Bidder fails to sign the Agreement and/or submit the Performance Bank Guarantee.

#### 6.10.3 **Performance Bank Guarantee:**

The Successful Bidder shall furnish Performance Bank Guarantee equivalent to 2 % (two percent) of the Contract Value within 21(twenty one) days of the Contract Execution Date. The Performance Bank Guarantee submitted should be issued by a reputed commercial bank acceptable to MBL.

Performance Bank Guarantee will not carry any interest. The Performance Bank Guarantee shall be released only on completion of all contractual obligations.

#### 6.11 **Disqualifications**

Notwithstanding anything to the contrary contained herein and without prejudice to any of the rights or remedies of MBL, a Bidder may be disqualified and their Bid may not be considered for further evaluation for any of the reasons listed below:

- a) Misrepresentation by a Bidder in the Techno Commercial Bid.
- b) Failure by a Bidder to provide necessary and sufficient information as required and asked for in this Document.
- c) If a winding up/insolvency or other proceedings of a similar nature is initiated or pending against the Bidder.
- d) If any member of a Consortium is also a member in another Consortium in this tender.
- e) If the credentials of one company is utilized by more than one Bidder.
- f) If a Bidder does not meet or ceases to fulfil the prescribed financial and/or technical criteria mentioned in this Document.
- g) If information becomes known after the Bidder has been qualified, at any stage, which would have entitled MBL to reject or disqualify the relevant Bidder, MBL reserves the right to reject or disqualify the relevant Bidder at the time, or at any time, such information becomes

known to MBL. Where such party is a Consortium, MBL may disqualify the entire Consortium, even if it applies to only one member of the Consortium.

- h) MBL's determination that one or more of the events specified under this section has occurred shall be final and conclusive.

## **6.12 Clarification from Bidder**

If at any time during the evaluation process MBL requires any clarifications, MBL reserve the right to request such information from any Bidder and the Bidder shall be obliged to provide the same.

## **6.13 Rules of Construction**

- 6.13.1 Words imparting singular shall also include plural and vice-versa and any word defined in the singular shall have the corresponding meaning when used in the plural and vice versa.
- 6.13.2 The titles or headings in this Document are for convenience and easy reference only and shall not be taken into account for the purpose of construction or interpretation of this Document.
- 6.13.3 A reference to any gender includes the other gender.
- 6.13.4 Unless otherwise specified, a reference to a Chapter, Clause, Annexure, Schedule, Attachment or paragraph is a reference to a Chapter, Clause, Annexure, and Schedule, Attachment or paragraph of this Document.
- 6.13.5 The terms "include" and "including" shall be deemed to be suffixed with the words "without limitations", whether or not so followed.
- 6.13.6 In case of Common Clauses appearing elsewhere in the tender documents, the clause in volume 1 of the tender document shall prevail.

## **6.14 Governing Law**

This Document shall be governed by and interpreted in accordance with laws in force in Mozambique.



# CHAPTER 7

## Special Conditions of Contract

## **7. SPECIAL CONDITIONS OF CONTRACT**

### **7.1 Condition for Consortium**

- 7.1.1 Each and all members of the Consortium shall furnish an undertaking jointly for the successful operation of the mining services to MBL and shall be jointly and severally liable to MBL to perform all the contractual obligations. The agreement of association, joint-venture agreement or any other similar agreement between the members of the Consortium in such case should have been executed prior to the date of bid opening.
- 7.1.2 No member can be a member in other Consortium who takes part in this tender.
- 7.1.3 The Agreement between MBL and the Consortium shall be signed by all the members of the Consortium.
- 7.1.4 The joint venture agreement in original or copy duly certified confirming the intent of all the members to form the Consortium shall be submitted along with the bid. It shall also distinctly show the financial participation of each member of the Consortium, scope of work and responsibilities of each member as regard to planning, execution and performance guarantee of the work under the Agreement between MBL and the Consortium.
- 7.1.5 The signatory of the Agreement shall be only of those holding a valid power of attorney.
- 7.1.6 One of the members in the joint venture agreement, agreement of association, or any other similar arrangement between the members of the Consortium shall be nominated as the leader of the Consortium (“Leader of the Consortium”) and this nomination shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the members of the Consortium
- 7.1.7 The leader of the Consortium shall abide by the general terms and conditions specified by MBL and agreed notes discussed and signed during subsequent meetings.
- 7.1.8 The Leader of the Consortium shall be the only one who will be authorized to receive instructions for and on behalf of the Consortium, shall be primarily responsible for the total execution of the Agreement including all contractual obligations and receipt of payment due, in accordance with the provisions of the Contract.
- 7.1.9 All the members of the Consortium shall be liable jointly and severally for the execution of the Agreement in accordance with the terms and conditions of the Agreement and statement to this effect shall be included in the joint venture

agreement, agreement of association, or any other similar agreement between the members of the Consortium.

- 7.1.10 There shall be no conditional offer in the joint venture agreement, agreement of association, or any other similar agreement between the members of the Consortium agreement with regard to this tender.
- 7.1.11 During the tenure of this tender or the Agreement, the members of the Consortium shall not be altered without prior written approval of MBL.

## 7.2 **Bid Price Basis**

- 7.2.1 The Bidder shall quote in their proposal, price per tonne of ROM Coal at the Delivery Point as per the Scope of Work for mining operation. The price shall be quoted as per the Price Bid format which will form the basis for evaluation of the bid.

### 7.2.2 **Mobilization**

MBL shall pay an amount of USD 10,000,000.00 (Ten Million United States Dollars) to the Successful Bidder towards mobilization of equipment, manpower and facilities. This Mobilization amount (USD 10,000,000.00) shall be paid to the Successful Bidder in two (2) monthly installments, one installment in the 2<sup>nd</sup> month and one installment in the 3<sup>rd</sup> month, counting from the Contract Execution Date, against presentation by the Successful Bidder of a Bank Guarantee of equivalent amount to the mobilization amount (“Mobilization Assistance Bank Guarantee”), in the 2<sup>nd</sup> and 3<sup>rd</sup> month of Contract Execution Date, which shall be recoverable from the successful bidders in equal monthly installments starting from the 7<sup>th</sup> month of the Contract Execution Date, from the running invoices, until the Completion Date/end of contract .Balance, if any, shall be recovered from the final settlement.

With the Mobilization Amount, the Successful Bidder obliges to achieve:

- a) 50% (fifty per cent) of full production within 135 (one hundred and thirty five) days counting from the Contract Execution Date;
- b) 80% (eighty per cent) of full production within 166 (one hundred and sixty six) days counting from the Contract Execution Date;
- c) 100% (one hundred per cent) of full production within 206 (two hundred and six) days counting from the Contract Execution Date

### 7.2.3 Price Variation formula

The following formula shall be adopted for calculation of variation in price once in a year after completion of each year from the Commercial Production Date. The overall price variation shall be subject to a maximum of 10 % per annum or actual, whichever is lower.

$$P = A \times ( a + b \times L1/L + c \times F1/F + d \times M1/M + e \times E1/E + f \times T1/T )$$

Where –

A = Existing Price per tonne of ROM as quoted by the bidder

P = Revised price per tonne of ROM

a = 0.10 = Fixed portion of the price not subject to variation

b = 0.10 = Labour portion of the Price subject to variation

c = 0.15 = Fuel Portion of the Price subjected to variation

d = 0.55 = Material portion of the Price subject to variation

e = 0.05 = Explosive portion of the Price subject to variation

f = 0.05 = Tyre portion of the price subject to variation

L1= Revised Consumer Price Index, Mozambique

L = Base Consumer Price Index, Mozambique\*

F1= Revised Fuel Price (Mozambique Government Notification)\*\*

F = Base Fuel Price (Mozambique Government Notification)\*

M1= Revised Consumer Price Index, RSA or equivalent

M = Base Consumer Price Index, RSA or equivalent\*

E1= Revised Consumer Price Index, RSA or equivalent

E = Base Consumer Price Index, RSA or equivalent\*

T1= Revised Consumer Price Index, RSA or equivalent

T = Base Consumer Price Index, RSA or equivalent\*

RSA - Republic of South Africa or Equivalent

\*The latest index/price available on the date of signing of Agreement

\*\*The base price and revised price of fuel as notified by the Mozambican Government shall be converted into USD by considering the exchange rate published by the Central Bank of Mozambique on the above notification dates. The fuel price increase beyond 15% shall be considered for escalation.

The contract price will not be subject to variation in case the duration of the Commercial Production Period is extended by MBL due to reasons solely attributable to the contractor.

### **7.3 Bid Evaluation Criteria**

The Price Bid will be evaluated on the basis of price offered per ton of ROM coal at the Delivery Point including taxes and the Agreement will be concluded with the Bidder who has offered the lowest price as per Format 6.

### **7.4 Contract Quality Assurance**

- 7.4.1 The Bidder shall include in his proposal the Quality Assurance Program containing the overall quality management and procedures which he proposes to follow in the performance of the works during various phases.
- 7.4.2 Before signing of the Agreement, a detailed Quality Assurance Program to be followed for the execution of the Agreement will be mutually discussed and agreed to and such agreed program shall form a part of the Agreement.

### **7.5 Completeness of the Agreement**

- 7.5.1 All other works, which may not have been specifically mentioned but which are absolutely essential or necessary for the efficient working of mining services shall be deemed to have been included in the Agreement and shall be performed by the Contractor/Successful Bidder without extra charge. All obligations related to mining services shall be deemed to be included in all respects whether details are mentioned in the Specification/Scope of Works or not.

### **7.6 Failure to Execute Agreement**

- 7.6.1 Contractor/Successful Bidder failing to execute the order placed on them to the satisfaction of MBL under the terms and conditions set forth therein, will be liable to make good the loss sustained by MBL, consequent to the placing of fresh orders elsewhere at higher rate. In the event of such failure, the difference between the price accepted in the Agreement already entered into and the price

at which fresh orders have been placed at a later date, consequent to non-fulfillment of the Agreement will be recovered from the Contractor/Successful Bidder.

## **7.7 Equipment Specification**

- 7.7.1 All the equipment shall be of the best class and capable of satisfactory operation in tropics with humid atmospheric conditions, without distortion or deterioration.

## **7.8 Signing of Agreement**

- 7.8.1 MBL shall conclude the Agreement with the Successful Bidder whose bid has been determined to be qualified, substantially responsive, and has been determined as the lowest evaluated bid.
- 7.8.2 Notification of award of Agreement shall be made in writing through a Letter of Intent (LOI) to the Successful Bidder. This Letter of Intent will be in writing. The Successful Bidder shall acknowledge the receipt of the same in writing.
- 7.8.3 Till such time the formal Agreement is signed, the Letter of Intent issued by MBL to the Successful Bidder and its acknowledgement of receipt by the Bidder shall be construed as an Agreement and the terms and conditions contained in the Documents shall become applicable.
- 7.8.4 MBL shall send 1(one) copy of the Agreement to Successful Bidder within 7 (Seven) days of issue of Letter of Intent. The Contractor/Successful Bidder shall furnish, before signing of the Agreement, appropriate power of Attorney or other relevant documents.
- 7.8.5 The Agreement shall be signed at the office of MBL in Maputo within seven days of reception of the Agreement by the Contractor /Successful Bidder.
- 7.8.6 The Agreement shall be signed in Three (3) originals, duly bound. One will be handed over to the Contractor/Successful Bidder and the remaining originals retained by MBL.
- 7.8.7 If the Successful Bidder fails to sign the Agreement, the same shall constitute sufficient ground for the annulment of the LOI and also the forfeiture of EMD, in which event MBL may make the award to the next lowest evaluated responsive Bidder or call for new bids.

## **7.9 Monthly Schedule**

- 7.9.1 The monthly schedule of ROM and Waste excavation will be finalized by MBL in consultation with the Successful Bidder at the beginning of Agreement. Further,

one week before the subsequent month, the final production target will be finalized and intimated to the Successful Bidder considering the overall agreed quantity. The quantities finalized will form the basis for calculations of penalty for short supply on monthly basis.

## 7.10 Penalties

- 7.10.1 Delay in ramping up of Production – if there is a delay in ramping up of production as per targets at 8, 9 and 10 of “SCHEDULE” of Annexure-A, a penalty shall be levied as below and the same shall be recovered from the Successful Bidders running invoices over 12 months :-

Penalty for delay in achievement of Production targets = USD 10,000.00  
(Fifty Thousand United States Dollars) per day.

- 7.10.2 Successful tenderer should carry out mining operation in such a way so as to meet the monthly schedule as agreed from time to time. Once 100% production level is achieved, for shortfall in agreed quantity of ROM in a month, for whatsoever reason, a penalty corresponding to 5% (Five per cent) of the total amount payable to the Successful Bidder by MBL, shall be levied for such shortfall quantity of ROM in tonne if at least 90 % (Ninety percent) production is not achieved as per the target (i.e. the difference between the target quantity and the actual quantity achieved) as per the following formula:

ROM Penalty = Price per tonne x Shortfall Quantity in tonne from monthly plan x 0.05

- 7.10.3 Similarly, for shortfall in agreed quantity of Waste in a month, for whatsoever reason, a penalty will be levied as per the following formula provided that at least 90 % (Ninety percent) of the target is not achieved :

Waste Penalty=Price per tonne of ROM x Shortfall Waste Quantity in BCM from monthly plan x 0.05

- 7.10.4 In case of less requirement of off take of coal, the mining of ROM can be regulated / restricted by MBL at its discretion to +/- 20 % range, for which

Successful Bidder will be notified. In such case monthly target shall be reduced as per the instruction of MBL. If there is no requirement of ROM in a particular month or part thereof, then compensation shall be paid to the Contractor as below:

Compensation = Price per tonne of ROM x 0.8 x 4.5 MT/12 x 0.15 x days of stoppage/30

- 7.10.5 Stoppage of work for any reason including breakdown of machinery or manpower issues (other than force majeure) should not be the ground for non-fulfillment of target.
- 7.10.6 It shall be the responsibility of the Successful Bidder/Contractor to complete the total quantity within the Commercial Production Period. In case the Successful Bidder/Contractor fails to complete the work successfully within the Commercial Production Period, the Contract shall be extended for completion of the balance quantity and during the extension period the penalty provisions will continue to operate as per the Contract but without payment of any escalation during the period of delay.
- 7.10.7 MBL may, without prejudice to its any other method of recovery, deduct the amount of such penalty from any money in hands, due, or which may become due, to the Successful Bidder/Contractor under the Agreement or from any other contract between the Successful Bidder/Contractor and MBL. The deduction of such penalty shall not relieve the Successful Bidder/Contractor of his obligation to complete the works and demonstrate the performance of any of his other obligation and liabilities under the contract.
- 7.10.8 MBL, if not satisfied with the progress of the mobilization, the commercial production or the compliance with any of the terms of the Agreement and in the event of failure of the Successful Bidder/Contractor to recoup the delays in the mutually agreed time frame, shall be entitled to terminate the Agreement.
- 7.10.9 In the event of such termination of the Agreement, MBL shall forfeit the Performance Bank guarantee submitted by the Successful Bidder/Contractor besides getting the work completed by other means at the risk and cost of the Successful Bidder/Contractor.

## **7.11 Measurement of ROM quantities for payment**

- 7.11.1 Prior to commencement of mining operation, the parties shall carry out a detailed joint ground survey of the site that shall form the base to determine

future material volumes. Copy of the detailed ground survey shall be made available to the Successful Bidder.

- 7.11.2 Measurement of quantities shall generally be in accordance with the prescribed standards or such other standard acceptable to both parties. The volume of material moved shall be the difference in absolute volume from the original agreed starting surface, calculated on a month by month basis.
- 7.11.3 The ROM quantity produced by the successful bidder and monthly invoicing of the same will be done based on the joint survey conducted by MBL and the representative of the successful bidder. The ROM quantity produced in any month will be the difference of survey figures of current month and that of previous month.

## **7.12 Non-Exercise of Power Not to Constitute Waiver**

- 7.12.1 It is agreed that in any case in which any of the powers conferred upon MBL by the provisions of the agreement becomes, exercisable and the same is not exercised, the non-exercise thereof shall not constitute waiver of any of the conditions thereof, and such powers shall notwithstanding such non-exercise be exercisable in the event of any other case of default by the Successful Bidder/Contractor, for which by any clause or clauses thereof is declared liable to pay compensation and the liability of the Successful Bidder/Contractor for past and future compensation shall remain unaffected.

## **7.13 Competent and Statutory Persons**

- 7.13.1 The Firm/Company/Successful Bidder/Contractor should appoint sufficient numbers of Staff, fully competent to do their work. The staff so appointed should have proper qualification and status to work on behalf of the Successful Bidder and should be accountable. The Successful Bidder/Contractor shall employ the key statutory personnel such as Mines Foreman to supervise the work as per statute. The persons so appointed should have adequate qualification as per the extant provisions of Mozambique. Non-compliance of provisions regarding appointment of statutory persons deemed to be fundamental breach of Agreement by the Successful Bidder/Contractor, and in that case MBL may terminate the Agreement and will also have the right to execute the balance work through an alternate agency at the risk & cost of the Successful Bidder/Contractor.

## 7.14 **Commencement of Work**

- 7.14.1 All the preliminary works such as deployment of manpower, equipment at site etc. should be completed as per the attached Annexure `A` and production should commence immediately thereafter to achieve the targets as per schedule.



# CHAPTER 8

## Formats

## **FORMAT 1 - EXECUTIVE SUMMARY**

(Executive Summary is required to be submitted by the Bidder)

The executive summary should contain a one page write up about the Bidder/ Consortium, providing the Business Profile of the company and key achievements in the mining sector.

- a) Name of the Bidder
- b) Constitution (Supporting Documents)
- c) Name of the Leader of the Consortium
- d) Details of the Consortium (If applicable)
- e) Role Envisaged for each of the Members of the Consortium
- f) Details of Experience (Mining)
- g) Contact details
- h) Name of the Contact Person Address for communication Phone/Fax/Email
- i) Signature of Authorized Signatory
- j) Seal of the Company or of the Leader of the Consortium



**FORMAT 2 - COVERING LETTER FOR TECHNO COMMERCIAL BID**

(Covering letter is required to be submitted by the Bidder/ Leader of the Consortium on its letter head)

- a) Bidder's Name:
- b) Full Address:
- c) Telephone no:
- d) Email Address:
- e) Fax No.

To,  
Deputy General Manager (Procurement)  
Minas de Benga Limitada  
Estrada Nacional, No 7, Tete

**Sub: - Response to Bid Document for Mining Operations Services of MBL**

We ----- (Name of the Bidder/Leader of the Consortium) having registered office at ----- having examined in detail and understood the terms and conditions stipulated in the aforesaid Documents and subsequent corrigendum, if any, and confirm that our Techno Commercial Bid is in full conformity with these Documents. We, the undersigned Bidder having read & examined in detail the Qualifying Requirements for selection of Mining Service provider and hereby submit our response.

Contact Person

Details of the contact person are furnished as under:

Name

Designation

Company Address

Phone No.

Fax No.

Email address

Please find enclosed herewith our Techno Commercial Bid in response to the documents issued by MBL vide Tender no. ----- Dated ----- (Date of Tender) and its subsequent



corrigendum No (s) ----- (Bidder to insert corrigendum no issued, if any by MBL subsequent to issue of Document)

Dated the ----- day of ----- of 2017

The period of validity of the bid shall not be less than 120 days from the last date of submission.

Thanking You,

Yours faithfully,

(Signature, Name, Designation and Seal)



**FORMAT 3 - SUBMISSION OF TECHNICAL DOCUMENTS AS PER QUALIFYING REQUIREMENTS**

(Covering letter is required to be submitted by the Bidder/ Leader of the Consortium on its letter head)

To  
Deputy General Manager (Procurement)  
Minas de Benga Limitada  
Estrada Nacional, No 7, Tete

Dear Sir,

**Sub: Submission of Technical Qualification documents for Coal Mining Operations Services of Minas de Benga Limitada**

I/ We ----- (The legal name of the Bidder)

OR

I/ We, the Bidding Consortium, consisting of ----- and -----, confirm that I/we have the requisite technical experience as mentioned in the Qualifying requirements as given below:

1) Mining Experience

SNo	Period	Details of Coal Mine with location	Mine Owner / Contractor	ROM coal in MTPA	Specific gravity	Over burden in BCM	Composite Annual Excavation in MTPA
1							
2							
3							



etc.							
------	--	--	--	--	--	--	--

Thanking You,

Yours faithfully,

(Signature, Name, Designation and Seal)

NOTE:

- 1) In case the Financial Year as per the audited financial statement is different from 1st April to 31st March as specified here, the Bidder/ Bidding Consortium may mention the Financial Year as per the audited financial statements and furnish the production details of coal and overburden accordingly
- 2) Supporting documents has to be enclosed with this letter



**FORMAT 4 - SUBMISSION OF FINANCIAL DOCUMENTS AS PER QUALIFYING REQUIREMENTS**

(Covering letter is required to be submitted by the Bidder/ Leader of the Consortium on its letter head)

To,  
Deputy General Manager (Procurement)  
Minas de Benga Limitada  
Estrada Nacional, No 7, Tete

Dear Sir,

**Sub: Submission of Financial Qualification Document for Mining Operations Services of Minas de Benga Limitada**

I ----- (The legal name of the Bidder)

OR

We, the Consortium, consisting of.....and..... confirm that we have the requisite Financial Qualifying documents as given below:

Table for Bidder (In Millions of USD)

**Turnover (in million USD):**

Particulars	FY 2015-16	FY 2014-15	FY 2013-14
Single Bidder / Leader of the consortium			
Member 2 (Applicable for Consortiums only)			
Member 3 (Applicable for Consortiums only)			
<b>Total</b>			

**Net worth (In million USD):**

Particulars	Net worth
Single Bidder / Leader of the Consortium	
Member 2 (Applicable for Consortiums only)	
Member 3 (Applicable for Consortiums only)	
<b>Total</b>	

NB: Net Worth = Fixed Assets + Current Assets - Current Liability – Long term loans

Audited Balance sheet for the last three financial years FY 2015-16, 2014-15 and 2013-14 is enclosed herewith.

Thanking You,

Yours faithfully,  
(Signature, Name, Designation and Seal)

**NOTE:**

In case the Financial Year as per the audited financial statement is different from 1st April to 31st March as specified here, the Bidder/ Bidding Consortium may mention the Financial Year as per the audited financial statements and furnish the financial details accordingly.



**FORMAT 5 - SUBMISSION OF ADDITIONAL INFORMATION**

(Covering letter is required to be submitted by the Bidder/ Leader of the Consortium on its letter head)

To,  
Deputy General Manager (Procurement)  
Minas de Benga Limitada  
Estrada Nacional, No 7, Tete

Dear Sir,

**Sub: Submission of additional information in response to Coal Mining Operations Services of Minas de Benga Limitada**

We ----- (Name of the Bidder) are furnishing the following additional information apart from those already mentioned in this documents, which in our opinion strengthens our case for being well qualified to undertake the development and operation of Mining Services of Minas de Benga Lda.

The following are the list of documents/ information provided by us:

- 
- 
- 
- 

Thanking You,

Yours faithfully,  
(Signature, Name, Designation and Seal)



**FORMAT 6 - PRICE BID**

(The Price Bid is required to be submitted by the Bidder/ Leader of the Consortium on letter head )

To,  
Minas de Benga Limitada  
Estrada Nacional no 7, Tete  
Mozambique

Dear Sir,

**Sub: Submission of Price Bid for Mining operation services of MBL**

We, the undersigned, offer to Bid for Mining Operation services of Minas de Benga Lda in accordance with your Bid Document dated....., and our Price Bid is given below:

(Values in USD)

Description	Basic price per tonne of ROM (In USD)	Taxes	Total Price
Price per Tonne of ROM Coal delivered at Delivery Point as per the Scope of Work			

Note: The above price is valid for 120 days from the Last date of submission of Bid.

Thanking You,

Yours faithfully,  
(Signature, Name, Designation and Seal)



**FORMAT 7 – EARNEST MONEY DEPOSIT (EMD) BANK GUARANTEE**

..... (Name of the Bank)  
 Address.....  
 Guarantee No. ....  
 A/c..... (Name of Bidder)  
 Date of Expiry.....  
 Limit to liability (Currency and Amount) USD 150,000 (One Hundred Fifty Thousand United States Dollars).  
 Invitation for Bid No..... Dated..... for Coal Mining Operation Services at Benga Mine.

**Subject: Earnest Money Deposit Bank Guarantee.**

Date ..... 201...

To,

Minas de Benga Limitada  
 Estrada Nacional no 7, Tete  
 Mozambique

Dear Sir,

In consideration of the Minas de Benga Lda (hereinafter called "MBL") which expression shall unless repugnant to the subject or context include his successors and assigns having agreed to exempt ..... (hereinafter called "Bidder") from demand under the terms and conditions of the tender (hereinafter called the said "Bidding Document") issued by MBL vide No.....for Mining Operation Services at Benga Mine from deposit of EMD in the form of Electronic Transfer for the due fulfilment by the Bidder of the terms and conditions contained in the said Bidding Document including any amendments thereto on production of first demand Bank Guarantee for US \$150,000.00 ( One Hundred Fifty Thousand United States Dollars).



1. We..... (Name of the Bank) do hereby expressly irrevocably and unreservedly undertake to unconditionally pay to you merely on your written demand, without referring it to the Bidder, without referring to the merits of the request and without protest and demur an amount not exceeding US\$150,000.00 (One Hundred Fifty Thousand United States Dollars). Any such demand made on us shall be conclusive as regards the amount due and payable by us under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding US\$150,000.00 (One Hundred Fifty Thousand United States Dollars).
2. Notwithstanding anything to the contrary we agree that your decision as to whether the Bidder has committed a breach of any terms and conditions of the tender conditions shall be final and binding on us and we shall not be entitled to ask you to establish your claim or claims under this Guarantee but shall pay the same forthwith without any assessment, objection or excuse.
3. We undertake to pay to you any money so demanded notwithstanding any dispute or disputes raised by the Bidder in any suit or proceeding pending before any court or Tribunal or arbitration relating thereto, our liability under these presents being absolute and unequivocal. The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment there under.
4. This guarantee shall come into force from the date of issue of this guarantee and shall remain irrevocably valid and in force initially up to ..... unless a demand or claim under this guarantee is made on us in writing on or before ..... we shall be discharged from all liability under this guarantee.
5. We ..... Bank, further agree with you that you shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Bidding Document and we shall not be relieved from our liability by reason of any such variation.
6. It shall not be necessary for Minas de Benga Lda (MBL) to proceed against the Bidder before proceeding against the Bank and the Guarantee herein contained shall be enforceable against the Bank, notwithstanding any security which MBL may have obtained from the Bidder at this time when proceedings are taken against Bank hereunder be outstanding or unrealised.
7. Notwithstanding anything contained herein before our liability under this guarantee is restricted up to a sum of US\$150,000.00 (One Hundred Fifty Thousand United States Dollars) and shall expire on ..... unless a claim or demand is made on us in writing within 3(three) months after the expiry date all your rights shall be forfeited and we shall stand relieved and discharged from our liabilities hereunder.



8. We, the said Bank undertake not to revoke this guarantee during its currency except with the previous consent of MBL in writing and agree that any change in the constitution of MBL or the Bidder or the said Bank shall not discharge our liability hereunder dated..... day of .....for .....Bank.

Yours faithfully,

For.....  
(Name of the Bank)



**FORMAT 8 - PERFORMANCE BANK GUARANTEE**

..... (Name of the Bank)  
 Address.....  
 Guarantee No. ....  
 A/c..... (Name of Bidder)  
 Date of Expiry.....  
 Limit to liability (Currency and Amount) .....  
 Letter of Intent /Agreement No. ....  
 for Coal Mining Operation Services at Benga Mine.

**Subject: Performance Bank Guarantee.**

Date ..... 201

To,  
 Minas de Benga Limitada  
 Estrada Nacional no 7, Tete  
 Mozambique

Dear Sir,

We refer to the Letter of Intent / Agreement (hereinafter called the "Contract") Reference No. .... Dated ..... between Minas de Benga Lda (MBL) and ..... (Name of the Successful Bidder/Contractor) for the Mining Services at Tete, Mozambique.

Whereas the ..... (Name of the Successful Bidder/Contractor) has undertaken to produce a Bank guarantee under the Contract including any amendment thereto, to secure its obligations to you for the performance of the Contract including the guarantees and warranty of MBL Facilities.

1. We..... (Name of the Bank) do hereby expressly on first demand, irrevocably and unreservedly undertake to unconditionally pay to you merely on your written demand and without referring to ..... (Name of the Contractor) and the Contract and without referring to the merits of the request and without protest and demur an amount not exceeding US\$ ..... Any such demand made on us shall be conclusive as regards the amount due and payable by us under this guarantee.



2. Notwithstanding anything to the contrary we agree that your decision as to whether ..... (Name of the Contractor) has committed a breach of any terms and conditions of the Contract shall be final and binding on us and we shall not be entitled to ask you to establish your claim or claims under this Guarantee but shall pay the same forthwith without any objection or excuse.
3. We undertake to pay to you any money so demanded notwithstanding any dispute or disputes raised by the party in any suit or proceeding pending before any court or Tribunal or arbitration relating thereto, our liability under these presents being absolute and unequivocal.
4. The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder.
5. This guarantee shall come into force from the date of issue of this guarantee and shall remain irrevocably valid and enforce initially up to .....
6. This guarantee shall not in any way be affected by you taking any securities from the ..... or by the winding up, dissolution, insolvency or death as the case may be of the ..... We shall not be entitled to proceed against the assets of the ..... at your site.
7. In order to give full effect to the Guarantee herein contained, you shall be entitled to act as if we were your principal debtors in respect of all your claims against ....., hereby guaranteed by us as aforesaid and we hereby expressly waive all our surety ship and other rights, if any, which are in any way inconsistent with the above or any other provisions of this Guarantee.
8. The Bank undertakes to renew this Bank Guarantee from time to time and in case Bank fails to extend the validity of the Bank Guarantee prior to its expiry, the same shall be deemed to be invoked by MBL
9. This guarantee is in addition to any other guarantee or guarantees given to you by us.
10. This guarantee shall not be discharged by any change in the constitution of the ..... or us, nor shall it be affected by any change in your constitution or by any amalgamation or absorption thereof or therewith but will ensure for and be available to and effaceable by the absorbing or amalgamated company or concern.
11. Notwithstanding anything contained herein before our liability under this guarantee is restricted up to a sum..... (currency and amount) and shall expire on ..... unless a claim or demand is made on us in writing within six months after the expiry



TE089/2016

date all your rights shall be forfeited and we shall stand relieved and discharged from our liabilities hereunder.

12. We have full power to sign this guarantee under the delegations of powers and notification made under general regulation and resolutions in this regard.

Yours faithfully

Dated ..... day of.....

For..... (Name of the Bank)



TE089/2016

**FORMAT 9 - DEVIATION IF ANY NECESSARY**

To,  
Deputy General Manager (Procurement)  
Minas de Benga Limitada  
Estrada Nacional, No 7, Tete

Dear Sir,

**Sub: Deviations from the Bid Document for Mining Operations Services of Minas de Benga Limitada**

Yours faithfully,  
(Signature, Name, Designation and Seal)



**FORMAT 10 - CAPACITY TO SIGN DOCUMENTS**

I/We\*, signed below, am/are\* duly authorized to sign the Tender documents representing ..... as per the ..... articles of Association/Power of Attorney/Resolution\*, a certified copy of which is attached.

Thanking You,

Yours faithfully,  
(Signature, Name, Designation and Seal)

\* As applicable.



**FORMAT 11 - DESCRIPTION OF WORKS CARRIED OUT BY THE BIDDERS**

The following list describes contracts of the same nature and extension, satisfactorily completed by me/us\*:

Sl. No	Name of work	Work Order No. and Date	Name of Organization	Total Value of Work in USD	Date of Starting of Work	Date of Completion (as per scheme)	Actual time of Completion	Reason for delay if any	Value of work as per completion in USD

Thanking You,

Yours faithfully,  
(Signature, Name, Designation and Seal)

\* As applicable.



**FORMAT 12 - STATEMENT OF EQUIPMENT & MACHINERIES TO BE DEPLOYED FOR THE WORK**

Documentary proof for each machine/equipment to be submitted for owning or for hiring. In the case of hiring, copy of the agreement and the ownership certificates to be submitted for each equipment.

SI No	Name of Machine	Make & Model	Capacity	No. Proposed	No. Proposed to be utilized for this work	Year of purchase	Owned	Hired	Reg. No. of Vehicle / Tipper etc

Thanking You,

Yours faithfully,  
(Signature, Name, Designation and Seal)



**FORMAT 13 - DESCRIPTION OF VEHICLES TO BE USED IN THIS AGREEMENT**

**IMMEDIATELY AVAILABLE VEHICLES:**

_____	_____
_____	_____
_____	_____

**ORDERED VEHICLES, AVAILABLE FOR THE OPERATION AFTER DELIVERY:  
(Information to be provided on agreements and delivery dates)**

_____	_____
_____	_____
_____	_____

**VEHICLES TO BE ACQUIRED IF THE CONTRACT IS AWARDED:  
(Information to be provided on any delivery arrangements)**

_____	_____
_____	_____
_____	_____

**RENTAL OF VEHICLES TO BE LEASED / HIRED IF THE CONTRACT IS AWARDED:  
(Information to be provided on any hired/ leased rental arrangements by supplier providing equipment)**

_____	_____
_____	_____
_____	_____

Thanking You,

Yours faithfully,  
(Signature, Name, Designation and Seal)



**FORMAT 14 – DESCRIPTION OF WORKERS**

Bidders shall distinguish in the table below the workers they intend to employ in the Agreement. The various categories must be indicated, in accordance with the needs.

CATEGORY	NUMBER
(a)	
(b)	
(c)	
(d)	
(e)	
(f)	

1. Specify the name, qualifications and experience of the Operations Manager manager and other key personnel :
2. Specify the name, qualifications and experience of the Contract Manager.
3. Organizational Structure.

Thanking You,

Yours faithfully,  
(Signature, Name, Designation and Seal)

## FORMAT 15 – CORPORATE GUARANTEE

### CORPORATE GUARANTEE

This guarantee (“**Guarantee**”) dated as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, is made and entered into by \_\_\_\_\_ [Name of Guarantor], a corporation incorporated or a legal entity duly organized under the laws of \_\_\_\_\_, having its head office at \_\_\_\_\_ [Address of Guarantor] (“**Guarantor**”), in favour of Minas de Benga, Limitada, a company incorporated under the laws of Mozambique, having its head office at Avenida 24 de Julho, 1123, 4<sup>th</sup> Floor, Edifício 24, Maputo, Mozambique, taxpayer with NUIT 400148066, registered at the Registrar of Legal Entities under number 18006, represented by Krishnendu Nandy, in his capacity as Director, and by Dipak Chandulal, in his capacity as Legal Counsel, (hereinafter “**MBL**”)

Whereas

Guarantor’s subsidiary [Name of the Subsidiary] (“**Subsidiary**”) has submitted a document on \_\_\_\_\_ expressing interest in participating in the tender \_\_\_\_\_ (“**Tender**”), for the provision of \_\_\_\_\_ to MBL.

MBL and the Subsidiary will enter into an agreement for the provision of the aforesaid works, if the Subsidiary is the successful bidder in the Tender (the “**Agreement**”).

The Subsidiary has requested that Guarantor guarantee the obligations of the Subsidiary under the Tender and the Agreement (the “**Guaranteed Obligations**”), in accordance with the terms of this Guarantee.

Now it is hereby agreed as follows:

1. In consideration of the premises, the Tender, the Agreement, and other and valuable consideration, the Guarantor hereby covenants and agrees absolutely, irrevocably and unconditionally with MBL, its successors and assigns that:
  - a) The Subsidiary shall properly, diligently and in good time observe the provisions of and perform and discharge any and all its obligations contained in or arising from the Tender and the Agreement, as supplemented and amended from time to time.

- b) If the Subsidiary defaults in any manner whatsoever in the due and proper performance of the Tender and the Agreement, or commits any breach of the provisions thereof or any of the due duties mentioned in the Tender and the Agreement, the Guarantor shall, forthwith upon written request from MBL so to do, assume and properly and diligently perform and discharge any and all of said obligations or duties remaining unfulfilled.
  - c) Guarantor shall pay to MBL on demand all monies due and owing by the Subsidiary to MBL under the Tender and/or the Agreement or pursuant to any claim made by MBL relating to or arising out of the Tender or the Agreement.
  - d) This Guarantee shall be a primary obligation of the Guarantor and accordingly MBL shall not be obliged before enforcing this Guarantee to take any action in court or against the Subsidiary, to make any claim against or any demand to the Subsidiary, to enforce any other security held by MBL in respect of the obligations of Subsidiary under the Tender and/or the Agreement or to exercise any diligence against the Subsidiary.
  - e) Guarantor shall, on demand, indemnify and hold MBL harmless from and against any and all losses and expenses, of whatsoever nature (including, without limitation, all legal fees and expenses), in any way connected with the breach by the Subsidiary of its obligations contained in or arising from the Tender and/or the Agreement, and any supplement or amendment thereto, and/or breach by the Guarantor of the duties described herein, whether or not any such breach is caused, wholly or in part, by negligence of the Subsidiary or the Guarantor.
  - f) Any clauses providing limitation of liability or indemnities in favour of Subsidiary in the Tender and/or the Agreement shall also apply to Guarantor. The total liability and indemnity in the Guarantee shall therefore not exceed the accumulated liabilities and indemnities in the Tender and the Agreement.
2. This Guarantee shall be in addition to, and not in substitution for, any right or remedies that MBL may have against the Subsidiary arising under the Tender and/or the Agreement or otherwise, and the Guarantor shall not be released from the obligations hereunder by reason of any time or forbearance granted by MBL to the Subsidiary or the Guarantor.
3. In the event of any claim or dispute arising out of or relating to this Guarantee, the provisions of the Agreement (whose draft will be provided before the Subsidiary submits its bid, if any), with regard to the applicable law and conflict resolution, shall apply as if fully repeated herein. An award obtained pursuant to the Tender and/or Agreement by the MBL against the Subsidiary shall also be binding on Guarantor.



TE089/2016

As witness the hand of the duly authorised representative of the \_\_\_\_\_ (name of the Guarantor):

\_\_\_\_\_  
Name of the Guarantor's representative

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



**FORMAT 16 – MOBILISATION ASSISTANCE BANK GUARANTEE**

..... (Name of the Bank)  
 Address.....  
 Guarantee No. ....  
 A/c..... (Name of Bidder)  
 Date of Expiry.....  
 Limit to liability (Currency and Amount) .....  
 Letter of Intent /Agreement No. ....  
 for Coal Mining Operation Services at Benga Mine.

**Subject: Bank Guarantee for Mobilisation assistance.**

Date ..... 201

To,  
 Minas de Benga Limitada  
 Estrada Nacional no 7, Tete  
 Mozambique

Dear Sir,

We refer to the Letter of Intent / Agreement (hereinafter called the "Contract") Reference No. .... Dated ..... between Minas de Benga Lda (MBL) and ..... (Name of the Successful Bidder/Contractor) for the Mining Services at Tete, Mozambique.

Whereas the ..... (Name of the Successful Bidder/Contractor) has undertaken to produce a Bank guarantee under the Contract including any amendment thereto, for availing Mobilisation assistance from MBL.

1. We..... (Name of the Bank) do hereby expressly on first demand, irrevocably and unreservedly undertake to unconditionally pay to you merely on your written demand and without referring to ..... (Name of the Contractor) and the Contract and without referring to the merits of the request and without protest and demur an amount not exceeding US\$ ..... Any such demand made on us shall be conclusive as regards the amount due and payable by us under this guarantee.



2. Notwithstanding anything to the contrary we agree that your decision as to whether ..... (Name of the Contractor) has committed a breach of any terms and conditions of the Contract shall be final and binding on us and we shall not be entitled to ask you to establish your claim or claims under this Guarantee but shall pay the same forthwith without any objection or excuse.
3. We undertake to pay to you any money so demanded notwithstanding any dispute or disputes raised by the party in any suit or proceeding pending before any court or Tribunal or arbitration relating thereto, our liability under these presents being absolute and unequivocal.
4. The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder.
5. This guarantee shall come into force from the date of issue of this guarantee and shall remain irrevocably valid and enforce initially up to .....
6. This guarantee shall not in any way be affected by you taking any securities from the ..... or by the winding up, dissolution, insolvency or death as the case may be of the ..... We shall not be entitled to proceed against the assets of the ..... at your site.
7. In order to give full effect to the Guarantee herein contained, you shall be entitled to act as if we were your principal debtors in respect of all your claims against ....., hereby guaranteed by us as aforesaid and we hereby expressly waive all our surety ship and other rights, if any, which are in any way inconsistent with the above or any other provisions of this Guarantee.
8. The Bank undertakes to renew this Bank Guarantee from time to time and in case Bank fails to extend the validity of the Bank Guarantee prior to its expiry, the same shall be deemed to be invoked by MBL
9. This guarantee is in addition to any other guarantee or guarantees given to you by us.
10. This guarantee shall not be discharged by any change in the constitution of the ..... or us, nor shall it be affected by any change in your constitution or by any amalgamation or absorption thereof or therewith but will ensure for and be available to and effaceable by the absorbing or amalgamated company or concern.
11. Notwithstanding anything contained herein before our liability under this guarantee is restricted up to a sum..... (currency and amount) and shall expire on ..... unless a claim or demand is made on us in writing within six months after the expiry



TE089/2016

date all your rights shall be forfeited and we shall stand relieved and discharged from our liabilities hereunder.

12. We have full power to sign this guarantee under the delegations of powers and notification made under general regulation and resolutions in this regard.

Yours faithfully

Dated ..... day of.....

For..... (Name of the Bank)

## ANNEXURE - A

### Indicative Mobilization plan of Equipment, Manpower and Facilities

1. Initially the Successful Bidder has to mobilize and start pumping operation for dewatering of mine within 15 days from LOI date. In view of rain, the pit is submerged in water. The Successful Bidder has to start dewatering by using pumps capable of pumping out at least 1.3 million liters of water per hour with approximate head of at least 120 m. For this purpose, the Successful Bidder has to mobilize suitable pumps along with Supervisor and skill manpower of at least 30 numbers (indicative) for installation and continuous operation of pump.
2. In order to start waste removal within 30 days of LOI the Successful Bidder has to bring following equipment and manpower:

For administration and supervision of manpower:

Manager Production	– 1
Supervisor	– 7
Maintenance Manager	– 1
Mechanic and Assistants	– 6

Description	Equipment	Manpower
250mm diameter rotary drill	2	14
34m <sup>3</sup> bucket capacity excavator	2	7
240 tons capacity dumpers	6	21
Chain Dozer	2	7
Tyre Mounted Dozer	1	4
Grader	1	4
Water Bowser	2	7
<b>Total</b>		<b>79</b>

3. To achieve 50% production (187000 tonnes of ROM Coal) the equipment and manpower required will be as follows:

Manager Production	– 1
Supervisors	– 11
(Drilling, Blasting, Waste mining and ROM Coal production)	
Supervisors for other activities	– 6
(Safety Officer, Simulator Trainer, Dumper & other Machines Trainer, Road maintenance)	
Road Maintenance Assistants	– 2
Maintenance Manager	– 1

## Mechanic and Assistants – 6

Description	Equipment	Manpower
250mm diameter rotary drill	2	14
100mm diameter top hammer drill	2	14
34m3 bucket capacity excavator	2	7
17 m3 bucket capacity excavator	1	4
11 m3 bucket capacity pay loader	2	7
240 tons capacity dumpers	6	21
100 tons capacity dumpers	17	42
Chain dozer	4	14
Tyre mounted Dozer	2	7
Grader	2	7
Water Bowser	4	14
<b>Total</b>		<b>151</b>

## 4. Maintenance Team

Description	Manpower
Maintenance Manager (Mine)	1
Excavator Supervisor	1
Running Mechanic	3
Running Mechanic Assistant	6
Mechanic Repair	1
Mechanic Repair Assistant	2
<b>Total</b>	<b>13</b>
Dumper Supervisor	1
Running Mechanic	6
Running Mechanic Assistant	12
Mechanic Repair	1
Mechanic Repair Assistant	2
<b>Total</b>	<b>22</b>
Drill Supervisor	1
Running Mechanic	1
Running Mechanic Assistant	2
Mechanic repair	1
Mechanic Repair Assistant	2
<b>Total</b>	<b>7</b>
Auto Electrical	2
Wash Bay	
Wash Assistant	2
Boiler Shop	
Supervisor	1
Boiler maker	4

Total	5
Parts Store	
Store supervisor	1
Store Assistant	3
Tyre handler	1
Total	5
Maintenance Grand Total	57
Grand Total –Manpower	234

4. In order to achieve 80% of production( 300000 tonnes of ROM Coal) the equipment and manpower required will be as follows:

Description	Equipment	Manpower
250mm diameter rotary drill	3	21
100mm diameter top hammer drill	2	14
34m3 bucket capacity excavator	2	7
17m3 bucket capacity excavator	1	4
13m3 bucket capacity pay loader	1	4
11m3 bucket capacity pay loader	1	4
240 tons capacity dumpers	11	39
100 tons capacity dumpers	19	55
Chain Dozer	5	18
Tyre mounted Dozer	2	7
Grader	2	7
Water Bowser	5	18
Total manpower A		198

Description	Manpower
<b>Maintenance Team</b>	
Maintenance Manager (Mine)	1
Excavator Supervisor	2
Running Mechanic	6
Running Mechanic Assistant	12
Total	26
Dumper Supervisor	2
Running Mechanic	12
Running Mechanic Assistant	24
Mechanic Repair	2
Mechanic Repair Assistant	4
Total	44
Drill Supervisor	2

Running Mechanic	2
Running Mechanic Assistant	4
Mechanic Repair	2
Mechanic Repair Assistant	4
<b>Total</b>	<b>14</b>
Auto Electrical	3
Wash Bay	
Wash Assistant	4
Boiler Shop	
Supervisor	1
Boiler maker	7
Apprentice	1
<b>Total</b>	<b>9</b>
Parts Store	
Store Supervisor	1
Store Assistant	6
Tyre Handler	2
<b>Total</b>	<b>9</b>
Maintenance Grand Total B	110
Grand Total Manpower A+B	308

5. In order to achieve 100% of production( 375000 tonnes of ROM Coal per month) the equipment and manpower required is as follows:

Description	Equipment	Manpower
250mm diameter rotary drill	3	21
100mm diameter top hammer drill	2	14
34m3 bucket capacity excavator	2	7
17m3 bucket capacity excavator	1	4
13m3 bucket capacity pay loader	1	4
11m3 bucket capacity pay loader	2	7
240 tons capacity dumpers	14	49
100 tons capacity dumpers	23	69
Chain Dozer	6	21
Tyre mounted Dozer	2	7
Grader	3	10
Water Bowser	5	15
Lighting Plant	12	3
Diesel truck	2	12
Water pump	2	6
Tally clerk	-	4

Total A		253
Description	Manpower	
Mine Manager	1	
Superintendent (Overburden)	1	
Superintendent ( Coal )	1	
Superintendent ( Drilling & Blast )	1	
Superintendent ( MIS )	1	
Chief Surveyor	1	
Assistant Surveyor	3	
Supervisor (Overburden)	3	
Supervisor (Coal)	3	
Supervisor (Drilling & Blasting))	3	
Supervisor (Additional)	1	
Safety Officer	3	
Simulator Trainer	1	
Dumper & other Machines Trainer	2	
Road maintenance. Assistant	2	
Total manpower B	27	
Total A+B	<b>280</b>	

Description	Manpower
Maintenance Manager (Mine)	1
<b>Excavator Supervisor</b>	2
Running Mechanic	6
Running Mechanic Assistant	12
Mechanic Repair	2
Mechanic Repair Assistant	4
<b>Total</b>	<b>26</b>
<b>Dumper Supervisor</b>	2
Running Mechanic	12
Running Mechanic Assistant	24
Mechanic Repair	2
Mechanic Repair Assistant	4
<b>Total</b>	<b>44</b>
<b>Drill Supervisor</b>	2
Running Mechanic	2
Running Mechanic Assistant	4
Mechanic Repair	2
Mechanic Repair Assistant	4
<b>Total</b>	<b>14</b>
Auto Electrician	<b>3</b>
<b>Wash Bay</b>	
Wash Assistant	<b>4</b>



TE089/2016

Boiler shop	
Supervisor	<b>1</b>
Boiler Maker	<b>7</b>
Apprentice	<b>1</b>
<b>Total</b>	<b>9</b>
<b>Parts Store</b>	
Store Supervisor	<b>1</b>
Store Assistant	<b>6</b>
Tyre Handler	<b>2</b>
<b>Total</b>	<b>9</b>
Maintenance Grade Total C	<b>110</b>
Grade total manpower A+B+C	<b>390</b>

## FACILITIES

During the mobilization period, the Successful Bidder needs to make arrangement for following facilities to carry out regular maintenance as well as breakdown maintenance:-

1. Dumper, repair shop & daily maintenance shed for checking, lubrication and scheduled maintenance with forklift arrangement
2. Excavator & FEL repair shop and maintenance shed along with repair arrangement of bucket
3. Dozer and Grader Shop
4. Tyre Bay with tyre handler, tyre press and air filling arrangement with compressor
5. Washing Bay
6. Stores for lubricants
7. Stores for spare parts
8. Auto-electrical workshop and battery charging room
9. Tyre Storage Space
10. Workshop Office
11. Gas cages
12. Oil separator
13. Water Tanks

**Note:** The above list of Equipment/manpower/facilities are only indicative .However, Bidders may deploy Equipment/manpower/facilities as per their own assessment to achieve the targets as per schedule.

## SCHEDULE

SNo	Activity	Days
1.	Award of LOI	0
2.	Sending of Agreement	7
3.	Signing of Agreement	14
4.	Submission of Performance Bank Guarantee	21
5.	Start of mobilization of equipment and Manpower (Date of award of LOI)	0
6.	Start of Dewatering	30
7.	Start of Waste removal	45
8.	Achievement of 50 % of full production	135
9.	Achievement of 80 % of full production	166
10.	Achievement of 100 % production (full production)	206

**INDICATIVE CHECK LIST FOR SUBMISSION OF BID**

S No	Description	Yes/No	Reference page no of BID
1	Capability to mobilize all equipment, facilities & Manpower to achieve 100% production as per Annexure A		
2	Successfully executed/ or successfully running mining contract excavating 15 MTPA, out of which 10 MTPA (ROM & Waste/ROM/Waste) from a single open cast coal mine and balance 5 MTPA from any type and any number of open cast mines globally in any one year during last 7 years ending last day of submission of bid.		
3	Certificate of Registration as legal entity		
4	Articles of Association (as published in the Official Gazette)		
5	Declaration stating that there is no foreclosure or a Bankruptcy		
6	Business License or equivalent document issued by the competent authorities		
7	The original or certified copy of the joint-venture agreement, if applicable		
8	Evidence of the delegation of powers by the members of the Consortium to the person who signs the proposal		
9	Profit making record in any 2 years in the last 5 years		
10	Minimum net worth of total USD 100 million		
11	Copy of the contract agreement/ Work Order and certificate of production of Coal and overburden from the mine owner in case of contractor		
12	In the case of Mine owner self-certificate duly notarized or certificate from statutory auditor or copy of the statutory reports submitted to the Government indicating the total quantity produced/handled		
13	The annual reports for the preceding three financial years		

14	Format 1 - Executive Summary		
15	Format 2 - Covering letter for Techno Commercial Bid		
16	Format 3 - Submission of technical documents as per qualifying requirements		
17	Format 4 - Submission of financial documents as per qualifying requirements		
18	Format 5 - Submission of additional information		
19	Format 6 – Stamped blank Price Bid with Techno commercial offer ( Part A)		
20	Format 6 - Price Bid duly filled in with (Part B )		
21	Format 7 - EMD Bank Guarantee		
22	Format 10 – Capacity to sign documents		
23	Format 11 – Description of works carried		
24	Format 12 – Statement of Equipment and Machineries to be deployed		
25	Format 13 – Description of Vehicles to be used		
26	Format 14 – Descriptions of workers		
27	Format 15 – Corporate Guarantee, if applicable		
28	Format 16 – Mobilisation Bank Guarantee		
29	An EMD of US\$150,000 (One Hundred Fifty Thousand USD) in the form of Bank Guarantee or Proof of Bank Transfer as a part of Techno Commercial Bid Part A.		
30	All the pages of the tender document to be signed and stamped and to be submitted with the bid		
31	Mining Experience detail		
32	Mining Equipment detail		



33	Mobilization detail		
----	---------------------	--	--

## ADDITIONAL INFORMATION TO THE BIDDER

The bidder is supposed to quote price per tonne of ROM as per Format 6 . However, during pricing the bidder should note the following .

### Lead and Lift as on date

Coal /waste	From		To				
	Lead meters	in	Level meters	in		Level meters	Lift in meters
Overburden Seam C	3391		78		196	118	Waste Dump
Overburden Seam D	3444		117		210	93	Waste Dump
Overburden Seam D	2415		139		210	71	Waste Dump
Overburden Seam E	2033		134		165	31	Waste Dump
Ocerburden Seam E	2019		113		146	33	Waste Dump
CCoal to ROM	3218		60		159	99	ROM
D-Coal to ROM	2600		68		159	91	ROM
D-Coal to ROM	2650		136		154	18	ROM
E-Coal to ROM	2800		120		154	39	ROM

### **Note:**

1. Stockpiling of coal from C,D and E Seams, in case the plant is not running, will be done at a distance of 300m to 700m (avg.500m) from ROM hopper. This stacked coal will be rehandled whenever needed. The percentage of rehandling of Coal from stock pile in a year may be maximum upto 30 % of total production of ROM from pit.
2. If any bidder is interested to visit the mine to have first hand information, necessary assistance will be provided.

## ANNEXURE B

### General Terms and Conditions governing conduct of On-line Reverse Auctions

#### **Brief description of the tender processing for On-line Reverse Auction is given below:**

1. Bidders submit their techno commercial bid along with all the required documents as per the terms of enquiry, which are opened on the due date of opening of quotation.
2. All the Bidders whose offers are found techno-commercially acceptable become eligible for participating in price bidding through On-line Reverse Auction over Internet.
3. Non-placement of bid by an eligible bidder during the Reverse Auction event may adversely affect consideration of the bidder for the subsequent RFQ's.
4. The mjunction would intimate Date & Time for Start of Reverse Auction & duration of auction to the Bidders in advance. Login ID & Password specific to each Bidder is given and demonstration of bidding (On-line) process is given to enable each Bidder fully understand the process of bidding On-line.
5. Thereafter, at scheduled time the screen for On-line bidding is launched wherein the Bidder would put in their best offers through On-line bids in which the Start Bid Price can be reduced by the Bidders to secure orders for the supply of items/services.
6. All eligible Bidders having password can view the bidding screen after acceptance of online declaration on the computer screen and also enter their prices any number of times during the duration of bidding.
7. If it has been decided at tendering stage to distribute the Tendered quantity to more than one Bidder then after conclusion of reverse auction a screen for online matching of lowest price by all Bidder other than the L1 bidder, would be launched. Bidders other than L1 can confirm matching on L1 price on the screen.
8. The quantity would be distributed among the bidders based on the ranking of bidders at the conclusion of reverse auction and order would be placed on predetermined no. of parties from among the bidders who have placed their bid in all previous stages and matched L1 price .

**Service Provider:**

For conducting the Reverse Auction, ICVL has engaged the services of **mjunction services Limited** for conducting the Reverse Auctions. mjunction is fully authorized to give clarifications / coordinate with the Bidder on behalf of ICVL w.r.t. conduct of Reverse Auction.

**Role of Service Provider**

mjunction services limited is the agency (operator) primarily providing the platform for conducting the Reverse Auction. As the agency providing the auction engine, the role of SP would include:

- i. Setup the auction based on tendered item details and bidding rules as mentioned in tender document.
- ii. Providing access through user-id protected by password to the approved bidders to participate in the auction.
- iii. Enhancing bidder awareness by providing them the details / steps of auction process to enable them participate in Reverse Auction and comfort with the auction mechanism and bidding rules.
- iv. Summarizing auction proceedings and communicating the outcome to ICVL.

**Role of the Bidder**

The role of the bidder is outlined below:

- v. Give consent to online declaration containing Terms and Conditions pertaining to auction before the participation in online auction. Access to auction mechanism shall be provided only after such consent. Failure to provide any response to online declaration will be considered as rejection of the declaration & participation of vendor for such event will be denied.
- vi. Ensure that user-id and password to access the auction is not revealed to unauthorized persons.
  - i. mjunction will explain the Reverse Auction process to all the prospective bidders and clarify issues, if any. It will be the responsibility of the tenderers to get them acquainted to their satisfaction with the On-line bidding process by thoroughly interacting with the mjunction. Only ICVL will be empowered to approve any deviations from the RFQ document asked for by the Supplier Participate in the

- Reverse Auction with the aim of bidding to secure the auctioned items in the auction (being selected for supplying ICVL's requirement in a Reverse Auction).
- ii. Convey last quoted price in writing to mjunction immediately after close of Reverse Auction.
  - iii. Provide breakup of quoted price (if required) within stipulated time as mentioned in tender document or otherwise communicated.
  - iv. In the event of winning an allotment, fulfill all obligations under the contract.

**Conduct of the Reverse Auction.**

The Reverse Auction shall be conducted on pre-specified date & time communicated to all approved & eligible bidders through Auction notice.

In the event of any problems being faced in the smooth conduct of the auction, mjunction shall have the right to undertake one or more of the following steps:

- Cancellation of auction/bid.
- Locking of bidders account (suspension of operations in the account) etc.

Such intervention may even happen without seeking prior concurrence of ICVL. MJ shall notify ICVL, clearly stating reasons, of such cancellation / suspension.

**Standard Instruction and General Terms & Conditions:**

The **Standard Instruction and General Terms & Conditions** provided herein govern the conduct of On-line Reverse Auctions operated by mjunction. These rules cover the roles and responsibilities of the parties in the On-line Reverse Auctions on the mjunction platform. **Unconditional Acceptance to these General Terms & Conditions is a prerequisite for securing participation in the On-line Reverse Auctions on the mjunction platform.**

1. During the Auction Bidders shall contact the Auction Room nos. (as mentioned in the auction notice) **ONLY** for any assistance/clarification regarding online bid submission. All calls to the auction room numbers are recorded for future reference and training. Calls made to any other contact numbers or mobiles (hand phones) will not be entertained during the auction period. Bidders are required to keep sufficient time in hand while calling to auction room during auction. Auction room numbers may be engaged and in case of call being made during last minutes their call may not be

connected. mjunction would not be responsible for any issue arising out of non-reachability /non – accessibility of auction room numbers.

2. Bidders shall ensure stable connectivity & use a fast and reliable internet connection. It is advisable to keep an alternate internet connectivity option in case of exigencies as mjunction or ICVL will not be responsible for any dis-connectivity or infrastructure failure at bidder's end and / or for reasons not attributable to mjunction. Manual Extensions (forceful extensions) of auctions will not be provided at the request of a bidder.
3. Bidders are required to clarify all their technical/tender and/ or training related queries prior to commencement of the auction. No training related support shall be provided to bidders after commencement of online auction. For any training requirement during the run-time of auction, bidders are required to refer the training module sent to them prior to auction.
4. Bidders are required to be agile and alert during bidding. They shall keep their contact numbers free from any other calls so that mjunction's representatives can reach them easily whenever required.

Do not register your number with "National Do not Call" service as you may receive auction intimation related SMS on the mobile number provided to us. Bidders are also requested to keep their email inbox open and accessible to receive any mail, if sent, during the event from mjunction's side.

5. Bidders are required to click on "Sign out" whenever they wish to leave the website. If they do not "sign out" properly and leave the website by closing the window directly they may receive a message at your next login attempt as "You are already logged in .Do you want to close the previous session and continue working". In case of such message please ensure that no other representative of their company is logged in already with their credential before login. In case any bidder has signed out properly from your last session and no other representative of your company is logged in but still receiving the above mentioned message kindly change your password and/or inform mjunction for any required help.
6. The bids placed by any bidder will only be accepted once they are registered in our server. There may be some delay in the same depending upon the speed and traffic of the internet connection used at bidder's end. To ensure registry of bids please bid at least 3 minutes prior to auction closing time. Bidder's submitting their bid in last moments would be doing so at their own risk.
7. Auction will start as per the prefixed time schedule. The time indicated in notice is fixed and under no circumstance will this time be changed on bidder's request. It is the responsibility of bidders to take part in the auction on scheduled date and time for which mjunction would be providing all the necessary training and technical requirement like

creating, scheduling the auctions and providing access to bidders to participate in the auctions. In case you are unavailable/not reachable prior to the auction, mjunction reserves the right to launch and conclude the event on scheduled time without your participation.

8. mjunction services limited retains the right to cancel or reschedule or relaunch of the Online price negotiation on any of the followings reasons:
  - a. On advice of ICVL
  - b. The number of confirmed Bidders is deemed to be insufficient to conduct the online price negotiation.
  - c. Majority of the confirmed Bidders are unable to access the module due to infrastructural problems such as sustained/Planned power failure or telecommunication breakdown.
  - d. If there is infrastructural failure at mjunction's end, resulting in unavailability of auction engine to Bidders for bidding purpose.

The duration of auction may also vary from the pre-specified period of time on account of termination of the auction by M/s mjunction services limited on the advice of the ICVL or on its own accord in case of situations where it is felt that continuance of the auction proceedings is prejudicial to the smooth conduct and/or the integrity of the auction process.

9. Bidders will be eligible for participation in the subsequent /next stage of the online price negotiation only if they have participated (placed an accepted & valid bid) in immediate previous stage.
10. Events which constitute of multiple stages may take more than one day to conclude and/or these stages may be conducted on different days. Please note the completion date-time of the last stage would be considered as completion time of the event.
11. All organization should note that the executive of the participating organization placing bids online shall be treated as an authorized representative of the organization for participating in the auctions.
12. User Id and password are the unique combination to ensure that only bidder or their authorized personnel can login to our auction website and participate in auction procedure. Bidders are requested to change the system generated password provided to them at the time of first login. mjunction or ICVL will not be responsible for any misuse of their Login ID and password. Bidders are responsible for maintaining the confidentiality of their User ID and Password (as also that of "secret question"/ "secret answer" combination, if any) and for restricting access to their computer, computer system and computer network and they shall be held responsible for all activities that occur using their User ID and Password.
13. Multi log in using the same User ID & Password is not permitted. Please note that you

can login with your user id and password from one connection only. In case multiple login happens then second logger will receive a message indicating that someone is already logged in using the login ID. In this scenario, mjunction request you to ensure whether any authorized representative from your side is logged in to the system or not. In case it is not fact, please intimate any mjunction representative for the same on immediate basis.

14. Bids once placed cannot be cancelled / withdrawn/ reversed and Bidders shall be bound to honour their prices submitted at any/all stage of the auction proceedings. If they back out and not supply the materials/service as per the rates quoted, ICVL may take appropriate action against them as deemed fit.
15. In the event when the stage-2 (online reverse auction / dynamic bidding) is initiated considering the L1 of the previous stage (Stage – 1: Online Sealed Bid event) as the start bid price and the L1 price is accepted by a bidder other than the bidder who placed the L1 bid in the stage-1 and further if there is no more bids, the system shall declare the bidder who has placed / accepted the start bid price in the stage-2 as the L1 bidder of the event.  
For e.g – Bidder A is the L1 bidder in stage - 1 and in stage-2 the L1 bid is considered as the start bid price. Now in stage - 2, bidder-B accepts the start bid price and there are no further bids in this stage. In such case Bidder- B will be considered as L1 as Bidder- B has accepted the price in stage2. However, in case there is not a single bid in stage-2 where the start bid price considered is the L1 of stage-1, ICVL shall reserve the right to place the order to L1 bidder of the stage 1 (online sealed bid).
16. mjunction is not liable for the expired instruments in the form of EMD/ DD / BG submitted for participation against any particular tender.
17. mjunction services limited, does not guarantee continuous, uninterrupted or secure access to its services, and operation of the Website/Portal may be affected by numerous factors beyond its reasonable control. mjunction services limited shall not have any liability to Bidders for any interruption or delay in access to the site irrespective of the cause.
18. **Force Majeure** : If at any time during the continuance of this Agreement, the performance of any obligation under this Agreement, in whole or in part by mjunction, be prevented or delayed by reason of any war, hostility, act of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lock-outs, failure of Internet of mjunction, Technical /Connectivity failure etc. or acts of God (hereinafter referred to as “events”) the Bidder shall by reason of such events have no claim for damages, direct and/or indirect, against mjunction in respect of such non-performance and/or delay in performance.
19. **Confidentiality** : Bidder recognizes that the information on mjunction that it will come

- across during the course of e-Auction is confidential and accordingly for a period of five (5) years after the date of this Agreement shall treat as confidential any and all information hereafter made available to BIDDER directly or indirectly by mjunction, including verbal explanations as well as any and all documents such as reports, proposals and drawings furnished by mjunction or by third parties having access to information, shall not use information received for any purpose other than the purpose agreed between the parties and shall not disclose any of the said information to any third parties including affiliated companies, either in writing or verbally or by any other means, except to the extent needed for such exercise.
20. **Arbitration:** Dispute or differences arising out or relating to this undertaking/Agreement shall be resolved amicably by the parties. Failing such amicable resolution of dispute / differences either party may refer the matter to arbitration of a Sole Arbitrator to be appointed by the Managing Director of mjunction services limited. The Arbitration proceedings shall be governed and regulated by the provisions of Indian Arbitration and conciliation Act, 1996 and the rules framed thereunder along with amendment made thereto-up-to-date. The award of the Arbitrator shall be final, binding and conclusive on the parties. The venue for arbitration shall be at Kolkata.
21. **Jurisdiction :** Bidder consents that Courts at Kolkata shall have exclusive jurisdiction.

#### **Limitation of Liability of mjunction**

- a. All commercial/ contractual terms are offered by and agreed to between buyers and sellers alone. mjunction does not have any control or does not determine or advise or in any way involve itself in the offering or acceptance of such commercial/ contractual terms between buyers and sellers.
- b. mjunction is not responsible for any non-performance or breach of any contract entered into between users/ Registered Users/Bidders. mjunction cannot and does not guarantee that the concerned users/ Registered Users/Bidders will perform any transaction concluded on the Website/ Portal. mjunction shall not mediate or resolve in any manner whatsoever any dispute or disagreement between users.
- c. mjunction expressly excludes liability for consequential loss or damage or loss of profit, business, revenue, goodwill or anticipated savings, which may arise in respect of the services.
- d. ICVL's decision on award of Contract shall be final and binding on all the Bidders.
- e. mjunction services limited will not be held responsible for consequential damages, including but not limited to systems problems, inability to use the system, loss of electronic information etc.
- f. mjunction shall not be liable to the ICVL / bidders in the auction or any other person(s) for any delays in initiating the online auction or postponement / cancellation of the online auction proceedings due to any problem with the hardware / software /

infrastructural facilities or any other shortcomings.

### **Right of ICVL**

ICVL reserves the right to fully / partly accept the bids or completely reject the same at any stage at its sole discretion.

### **Definition of Key Terms – Reverse Auction**

- 1. Reverse Auction:** Reverse Auction refers to a forum where the requirement for one/more Lots of a Tendered items is stated and the participants are required to bid down the price to be selected to supply the requirement.
- 2. On-line Reverse Auction:** On-line Reverse Auctions refer to those Reverse Auctions conducted through the Internet. In other words, the venue for the auction is on an Internet website/ platform. The Mjunction website (<https://auction.buyjunction.in>) or any other URL assigned by Mjunction would constitute the venue for the purpose of the On-line auction.
- 3. Award at the Reverse Auction:** The bidder quoting the lowest price is normally allotted the Tendered items unless otherwise specified by the ICVL.
- 4. Buyer i.e. ICVL:** ICVL is the individual/business entity who has contracted mjunction to conduct such Reverse Auction. In case of Reverse Auction, the purpose would be to meet their requirement for Tendered items from among the sellers desiring to sell the Tendered items to the ICVL.
- 5. Bidder:** Bidder is the individual/business entity participating in the Reverse Auction, intending to supply the Tendered items to the ICVL. To become a Bidder in the auction, a business entity has to secure ICVL's approval for participation and also provide written consent to the General Rules and Regulations.
- 6. Auction Engine:** Auction Engine refers to the software that encapsulates the entire auction environment, processing logic and information flows.  
mjunction is the sole owner of the auction engine and retains exclusive right over the utilization of the same.

### **Auction Notice:**

The Auction Notice refers to the document provided by Mjunction service ltd prior to the online reverse auction. The purpose of the Auction Notice is to provide approved bidder with the required information and terms specific to the auction as well as general terms & condition pertaining to participation in online reverse auction. Generally an auction notice includes:

- i. Start Time and duration of the Auction stages.
- ii. Item/market description along with bidding quantity.
- iii. Bidding basis for the auction.
- iv. Auto extension time.
- v. General terms & conditions
- vi. Last bid confirmation & Price break up format

- vii. Special instructions (if any)
- viii. Declaration (To be accepted online)

**7. Start Time:** Start time refers to the time of commencement of the conduct of the On-line auction. It signals the commencement of the Price Discovery process through competitive bidding.

**8. Duration of the Reverse Auction:** It refers to the length of time the price discovery process is allowed to continue by accepting bids from competing bidders. The duration of the auction would normally be for a pre-specified period of time. However, the bidding rules may state the conditions when the pre-specified duration may be extended/ curtailed. The conditions include:

- a. On sole advice of ICVL
- b. Automatic extension in the event of bids being entered towards the end of the scheduled duration to facilitate the other bidders to view and react to the bid.

**9. Auto Extension of the Auction Timings:** In the event of bids in the last few minutes of the scheduled bid time, the Bid Timings are automatically extended for a specified period from each such bid. Such Auto Extension shall continue until no bids are placed for the specified period (Engine remains inactive for the specified period). The Inactivity Time for Auto Extension purpose will be specified in the auction Notice. Auto extension is only applicable for Reverse auction stage.

**10. End of the Reverse Auction:** End of the Auction refers to the termination/closure of the auction proceedings signaling an end to the price discovery process.

**11. ID and Pass Word:** Password and ID shall be given to all the eligible Bidders by the mjunction for enabling them to participate in the Reverse Auction.

**12 Start Bid Price:** Wherever indicated, Start Bid Price, is the Maximum Price, which will be accepted by the Reverse Auction engine. Bidder have to quote a price lesser than the Start Bid Price for participating in the Reverse Auction. The auction system shall not accept price higher than start Bid Price for a lot. Start bid price (Wherever applicable) would be displayed on line during reverse auction stage).

**13 Minimum Decrement: Minimum Decrement:** Minimum decrement is the minimum amount by which, a Bidder has to reduce his bid value in order to beat the latest lowest bid. For example if a bidder bids Rs 10,00,000/- for a market, others, in order to beat this bid, have to quote a lower price with a minimum decrement say of Rs.2,500/- i.e. in order to be eligible they have to quote Rs. 9,97,500/- (or lower) for the same market. This minimum decrement shall be pre-decided by ICVL.

Depending upon the auction strategy Bidder may be able to provide decrement in multiple of minimum decrement amount or may be able to reduce any value higher than minimum bid

decrement. For Rank bidding event (dynamic price negotiation) Bidder has to reduce his bid from his last quoted bid.

**Proxy Bid:**

In the following circumstances, a bidder may opt for proxy bidding.

- i. Where the bidder is not confident of a reliable Internet Connectivity
- ii. When the speed of Internet Connection is slow and unable to catch-up with the speed of Competitor's bids
- iii. To remain a leading bidder till the lowest bid value fed in the auction machine.
- iv. Where the bidder is required to put bids in more than one Market/Lot at a time
- v. Bidder is pre-occupied and not in a position to put bids live as the auction is going on. Proxy bid facility safe guard bides from any connectivity issue, infrastructure failure (like: power, link, slow speed, computer etc.) during auction. Proxy bidding also helps when multiple markets/auctions are running at a time.

**Proxy facility works in following manner:**

You would be able to set a proxy limit with your best bid for the auction. Process to set proxy value:

- Place your desired proxy bid amount in 'new bid box'.
- Check on the 'Proxy' bid check box.
- Check on the 'new bid' Box available at the extreme left hand side of the market.
- Click on the submit button available on the bidding screen.

Once a proxy limit is set, system automatically bids on behalf of the bidder by reducing one decrement compared to the L1 bid for the market. Thus it ensures that bidder who has activated proxy will be the leading bidder (L1 bidder) till the proxy limit is reached. Your Proxy bid value is neither known to your competitors nor to mjunction. It remains undisclosed at the back end of the system. System will continue to revise your bid in stipulated decrements; so long it receives a revised bid from your competitor. In case the system does not receive any revised bid and the market ends, you will be the L1 for that market at the market price prevalent at the time of closure. Even in-case(s) of tie bid (i.e. proxy bid activated from your side and normal bid of that same amount is placed by your competitor), your proxy bid will be declared as lead bid for that time being for that particular market since you have activated proxy bid and your competitor will be shown 'outbid' message.



**Note:** Proxy bid submission facility can be utilized only in standard reverse auctions (i.e. reverse auctions without template/factor/loading or premium discount /Rank Bidding etc).

Warning : Proxy bid once activated cannot be deactivated however it can be revised only on the lower side.

Explanatory Note of Proxy Bid Reverse auction stage has started with the Start Bid Price of 200 INR and Bid decrement of 5 INR. You have activated a proxy of 150 INR at the very beginning of the event. In such scenario whenever competitor places a bid, system will itself automatically place a bid on your behalf which would be one decrement lower than the competitor's bid value & ensure that you would be L1 bidder for the market.

Upon due competition the market price has gone down and presently it is at 165 INR, your competitor places a normal bid of 150 INR. System will display 'outbid:' message to the competitor for their bid of 150 INR and your bid of 150 INR will be declared as lead bid at that instance of time till any other bid lower than your proxy bid gets registered in the system before closure of runtime of auction.

# **MINAS DE BENGA, LDA (MBL)**

TETE, MOZAMBIQUE

Tender No: TE089/2016

Volume 2 of 4

## **SCOPE OF WORK**

**FOR**

**COAL MINING OPERATION SERVICES**

**AT THE BENGA MINE**

Dated: 04<sup>th</sup> of May 2017

Last date of Bid Submission: 9<sup>th</sup> of June 2017

**TABLE OF CONTENT**

<b>1.1</b>	<b>INTRODUCTION .....</b>	<b>3</b>
<b>1.2</b>	<b>MINING OPERATIONS .....</b>	<b>4</b>
<b>1.3</b>	<b>MINE ADMINISTRATION .....</b>	<b>9</b>
<b>1.4</b>	<b>SITE RULES AND PROCEDURES .....</b>	<b>12</b>
<b>1.5</b>	<b>MOBILIZATION AND DE-MOBILIZATION .....</b>	<b>13</b>
<b>1.6</b>	<b>EARTHWORKS, ROADS AND WINDROWS .....</b>	<b>14</b>
<b>1.7</b>	<b>FACILITY AND SERVICES .....</b>	<b>16</b>
<b>1.8</b>	<b>MINING GENERAL .....</b>	<b>17</b>
<b>1.9</b>	<b>MAINTENANCE OF ROAD, LIGHTING AND OTHER AMENITIES .....</b>	<b>18</b>
<b>1.10</b>	<b>MANAGEMENT OF THE SITE WATER CONTROL &amp; PREVENTION FROM FLOODING.....</b>	<b>20</b>
<b>1.11</b>	<b>MOBILE EQUIPMENT.....</b>	<b>22</b>
<b>1.12</b>	<b>MINING WASTE AND COAL .....</b>	<b>24</b>
<b>1.13</b>	<b>ROM FACILITY AND ROM STOCKPILES.....</b>	<b>29</b>
<b>1.14</b>	<b>PIT WORKING AREAS .....</b>	<b>32</b>
<b>1.15</b>	<b>DRILLING AND BLASTING .....</b>	<b>33</b>
<b>1.16</b>	<b>MANAGEMENT .....</b>	<b>42</b>
<b>1.17</b>	<b>MEASUREMENT OF QUANTITIES .....</b>	<b>42</b>
<b>1.18</b>	<b>LAND CLEARING AND GRUBBING .....</b>	<b>43</b>
<b>1.19</b>	<b>EMPLOYEE, INDUSTRIAL AND COMMUNITY RELATIONS .....</b>	<b>43</b>
<b>1.20</b>	<b>ENVIRONMENTAL MANAGEMENT .....</b>	<b>46</b>

## INTRODUCTION

### 1.1.1 Background of the company

Minas de Benga, Lda (MBL) is a company registered under the laws of Mozambique. The company owns an opencast coal mine in Benga Locality, Moatize District, Tete Province (), Mozambique, namely Benga coal mine. MBL is the ultimate subsidiary of International Coal Ventures Pvt. Ltd. (ICVL), a New Delhi (India) based company registered under the laws of India. ICVL is a Joint Venture company promoted by some of the largest steel/ mining sector public companies of India, namely Steel Authority of India Limited (SAIL), Rashtriya Ispat Nigam Limited (RINL) and NMDC Ltd.

### 1.1.2 Benga Mine Operations – An Overview

- 1.1.2.1 Benga Coal Mine is a multi-seam (Seams B to N), open cast operation with over 200 million tonnes of proven coal reserves. The mining operation started in later part of 2011.
- 1.1.2.2 The seams C and D were being mined since inception in the South Pit of the mine while mining from the upper Seam E started in 2015. The average stripping ratio was about 4.65 BCM/ tonne of ROM.
- 1.1.2.3 The mine has a state of the art coal handling, processing and preparation facility (CHPP) that has been operating since 2012, having a designed capacity to process 5.3 MTPA Run-of-Mine (ROM) coal. The ROM coal after washing in the CHPP produces three products namely Hard Coking Coal at 10% to 13.5% ash (HCC); Thermal Coal (TC) at 27.5% to 28% ash and Low Heat Value Coal at 50% to 60% ash (Power Grade Coal). In addition, Tailings having a good heat value are also generated from CHPP. Post-takeover, Hard Coking Coal (at 13.5% Ash level), Thermal Coal and Low Heat Value Coal have been produced ideally in the ratio of 35:10:50 with the balance 5% as Tailings Coal. Coking Coal with 13.5% ash has so far been exported to India for consumption by the promoter companies of ICVL in their own steel plants.
- 1.1.2.4 The coking coal produced at CHPP is hauled by trucks to the railway siding, about 15 km away. It is then loaded there into company owned trains for transportation to the Beira port at a distance of about 590 Km. The fleet consists of 15 locomotives (3100 HP each) and 310 wagons with average carrying capacity of 62 tonnes. At Beira port, Coal Terminal TCC-8 which has been constructed jointly by Vale (68%) and MBL (32%) is used for loading coal into Handyman vessels (35000 tonnes). Both jointly have a Take or Pay agreement with the Port Operator for 5 MTPA capacity, out of which MBL has a reservation of 32%

capacity which translates into 1.6 MTPA. Beira port being a Tidal Port, has low draft of about 9.5 meters thereby restricting vessel size

1.1.2.5 Thus, currently, 1.6 million tonnes of coal per annum can be transported for export.

### **1.1.3 Mining Requirement**

It shall primarily include the extraction of 375,000 Tonne per Month (+/- 20%) of ROM coal feed for the CHPP, along with the associated activities such as excavation and handling of the waste rock material.

## **1.2 MINING OPERATIONS**

### **1.2.1 Mining**

MBL holds the required mineral title (Mining Concession 3365C), land title and the Environmental License. The Contract shall be executed within the Mining Concession 3365C area in accordance with 3(Three) year Mining Plan, which may be adjusted annually or otherwise from time to time, as may be required, and also as per Environmental Management Plan.

### **1.2.2 Responsibility of Successful Bidder**

The successful bidder will be responsible for carrying out all the mining activities, including payment of all the costs and expenses for supplies, erection, testing, commissioning of equipment & facilities, consumables, fuels & lubricants, tires, explosives, storage, procurement of spares & parts, manpower, security, water, electricity etc. associated with such mining activities, for the purpose of supply of ROM to CHPP primary feeder Hopper or from adjacent Stock Piles created by the Successful Bidder, in compliance with all applicable laws, which inter-alia would include mining, safety, environment, labor, compensation, etc., but not be limited to the following:

1. Lease/Own and maintain a fleet of HEMM (Excavators, dumpers, loaders and all other ancillary equipment) of adequate size and numbers in good working condition commensurate with the production plans throughout the Contract period, and including creating necessary operating facilities of workshops, stores & offices as well as applicable labor, vehicle and mining safety and security standards;
2. Availability of the equipment to meet the work requirement and applicable labor, vehicle and mining safety and security standards. To arrange for security within the mine precincts including the HEMM, mine facilities etc.;
3. All necessary licenses, permits, consents and approvals necessary for the Work under the Contract as the responsibility of MBL.

4. Land clearing and grubbing of all areas necessary to complete the Work under the Contract and approved disposal of vegetative and related matter.
5. Recovery of Topsoil from stockpiles and placement in an approved manner on areas affected by the work;
6. Profiling of surface and Waste Dumps to designed final slope profiles;
7. All activities associated with clearing, grubbing and top soil management, shall be in compliance with the applicable Mozambican Laws, Environmental Management Plan and Environmental License for the Benga Mine Project and any other applicable rules and regulations.
8. Blasting activities including providing explosives (and storage if required) in accordance with Mozambican Legislation;
9. Set out of all blast hole collars for blast hole drilling;
10. Supervision of the loading of all explosives and blasting accessories from, and to, the magazine facility and ensuring safety and security of such activities;
11. Record keeping of all live magazine stocks;
12. Provision of suitable stemming material and placement in blast holes;
13. Charging and firing of blast holes by approved drill and blast designs;
14. The induction and training of all Successful Bidder personnel;
15. Provision and enforcement of work and Site procedures to ensure the highest safety and technical standards are obtained and maintained at all times;
16. Annual fragmentation, excavation, loading, haulage, placing of about 21 Million BCM of various waste rocks/ earth cutting, loading, transportation, dumping, dozing, backfilling and leveling of overburden at pre-designated dump sites to ensure progressive mine closure plan.
17. Fragmentation, extraction, loading and haulage of coal from the Pits to the ROM at a rate of 4.5 MTPA (+/- 20% at MBL's discretion) in accordance with the approved Mine plan, from the multiple coal seams, to be mined in a proportion (currently from seams C, D & E in a ratio of 36:24:40) for obtaining the required quality (13.5% ash level) and yield (about 36%) of coking coal by feeding the same to the CHPP.
18. Observing quality control directives including segregation of coal of different quality classes at the ROM Facility as directed by MBL;
19. All coal to CHPP will be delivered via the ROM facility. Coal feed to the ROM facility shall be sourced either directly from the Pit or from stockpiles, by front end loader or dumper or combination of both as per requirement. The ROM facility will be managed in such a manner that continuity of ROM coal feed to

the Coal Handling & Processing Plant (CHPP) is maintained as per process requirement.

20. Management, operation and maintenance of ROM coal stockpiling facilities, including drainage, lighting and blending;
21. Cleaning of all Coal/Waste interfaces to minimize coal loss and coal dilution;
22. Selective mining in accordance with the Mine Plan of Coal quality classes, and Waste to ensure maximum coal recovery and minimum coal dilution;
23. The conduct of operations in such a way as to reduce the amount of waste and coal loss as waste to minimum
24. Construction and maintenance of ROM coal stockpiles according to the procedures and design of MBL. The height of stockpile shall be up to 8 meters and in accordance with the safe working height for front end loader operation. Stock piles shall be self-draining;
25. Feeding of ROM coal from emergency stockpile area at CHPP;
26. On Day works, clean up duties in and around the Process Plant;
27. Compliance with mutually agreed weekly, monthly and yearly mining plan. Any changes or clarifications to the plan to be intimated at least one month in advance for mutual consent;
28. Maintenance of working benches and Pit floors;
29. Preventing the Pit from flooding by management of surface water ingress and run-off from rain and storm water by the use of diversions, maintained roads, sumps, drains, bunds and the like, with disposal of all water MBL approved locations;
30. Dewatering of the working area; water control, drainage, pumping of water and flood management at Successful bidder's own cost by constructing dams, sumps installing suitable capacity pumps for drainage of water to ensure that the production continues at stipulated rate of about 375,000 MT (Metric Tonne) of ROM Coal ( $\pm 20\%$ ) per month average at all time. Water usage, drainage, dams, etc., shall be constructed and operated in compliance with the Environmental Management Plan and Mozambican water and mining legislation.
31. Management of Site water run-off control, including within the Pit and on the ROM coal stockpiles and Waste Dumps and including any surface water re-alignment necessary to carry out the Work under the Contract;
32. Construction of Pit access and haul roads and maintenance of all haul roads, ramps, dumps and access roads, required for the Work under the Contract, including supply, placement and compaction of sheeting materials, removal of spillage and wetting for dust suppression;

33. Suppression, prevention & control of dust emissions using water or any other suitable product;
34. Prevention of dirty water exiting the Site in an uncontrolled manner and strict control of all water into the relevant clean and dirty categories;
35. Fire prevention and control in the area of operations ;
36. Lighting, fencing and provision of civil amenities;
37. Adequate expertise, supervision and labor for the operation and maintenance of equipment, vehicles, tools and tackles;
38. All fuel, lubricants and other consumables as well as spare parts and accessories (including tires) and related maintenance and repair operations required for continuous operation of the machines & vehicles;
39. All duties, taxes, charges and costs associated with the permanent or temporary import of equipment, machinery and any other goods;
40. To fulfill all the obligations in respect of the local employees as well as the permitted expatriate employees as are required by the Mozambican labor law and immigration legislation, the prospective service contractor being MBL employer;
41. Open book administration and record keeping of the services;
42. Storage, retention, collection, recycling and disposal (including transport wherever applicable) of all used oil, and grease, disposable filters and other waste liquids etc., as per environmental policies & procedures, environment Management Plan, and Environment License & environmental regulations, waste management regulations and other applicable legislations;
43. If the bidder is not a Mozambican company, then any adjudication is subject to the timely registration of a company, tax, labor and operating license registration;
44. To obtain all necessary permits, consents and approvals necessary for executing the Service Contract, including any investment authorization and would be required to comply with the Environmental Management Plan and all other regulatory requirements of the Environmental License;
45. To arrange for security within the mine precincts including the HEMM, mine facilities etc.
46. For the avoidance of doubt, the responsibility in respect of arrangement of HEMM spares, explosives, diesel, tires etc. shall be of the Successful Bidder only.

47. The Successful Bidder shall supply, erect, commission and maintain facilities required for production. The removal of all the facilities after completion of the job will be the responsibility of the Successful Bidder
48. The Successful Bidder shall be responsible for the cost or expense of any adjustment or relocation of any infrastructure and for provision to be required for the operation of mine.
49. The Successful Bidder shall be responsible for completion of the work under the Contract and shall be responsible for all necessary plant, equipment, and facilities as approved by MBL to carry out the work under the contract. This shall include, without limitation, the supply of material, plant, labor, supervision, spare parts, tools, drawings and data, services and each and every item of expense necessary for the delivery of coal from Pit to the ROM facility at the scheduled production rate;
50. The Successful Bidder is also required to outline a statement of the operating methodology it proposes to carry out the work under the Contract;
51. The Successful Bidder shall be responsible for the all travel, accommodation, cleaning, messing & retrenchment formalities of its personnel;
52. The working hours will be governed by Mozambique law and the same will be subject to approval of MBL;
53. The Successful Bidder will be required to formulate concrete comprehensive management plan for all visitors, independent contractors and agents entering the site, to be approved by MBL;
54. Daily reporting to MBL in electronic form of details of all tasks undertaken by all items of Plant and Personnel for both operational and maintenance performance tracking and Daily Production & Stock report as per agreed format;
55. Maintain clean and safe working environments;
56. The Successful Bidder will be responsible for mobilization to the site all the mining equipment, the Successful Bidder personnel, vehicles etc. required for mining operation. Only the machinery inspected & approved by MBL will be permitted on the site
57. The Successful Bidder will be responsible for demobilization of the mining & other equipment with prior approval of MBL.
58. The Successful Bidder will be responsible for any additional mobilization and demobilization of the equipment with prior approval from MBL.

### **1.3 MINE ADMINISTRATION**

#### **1.3.1 Progress of the Works**

MBL may in its absolute discretion and from time to time issue instructions to the Successful Bidder in connection with the following and such instructions shall be complied with by the Successful Bidder forthwith

1. The method or manner of the execution, doing or performance of the Work under the Contract generally and each part thereof;
2. The suspension of the Work under the Contract or any part thereof;
3. The time or times within which the Work or any part thereof is to be commenced and/or completed;
4. The time or times when and the manner in which the Work under the Contract is to be done or performed or is not to be done or performed;
5. Control/limitation of blasting activities during adverse weather conditions, such as high winds, atmospheric inversions, low cloud cover or when within close proximity to the public;
6. Any written records data and information which MBL requires the Successful Bidder to keep and maintain and which shall be available for inspection and copying by MBL at the Site at all reasonable times.
7. Statistics, which MBL is, or may be, required to report to relevant authorities.

Notwithstanding, anything else herein contained MBL shall have absolute discretion on a day-to-day basis over the Work in respect of:

- I. The location of blasting, excavation, dumping, material placement;
- II. Coal blasting and the minimization of loss and dilution;
- III. The quantity to be blasted, and
- IV. The quality of excavation to design specifications.

The Successful Bidder shall at its own cost and expense and with all reasonable expedition re-perform or remedy any part of the Work which, in the opinion of MBL, is defective or is not executed in accordance with the Contract and/or MBL instructions and MBL shall be under no obligation to make any payment to the Successful Bidder for any such re-performance or remedial Work.

#### **1.3.2 Licenses, Permits, Consents and Approvals**

Successful Bidder shall be responsible for acquiring and maintaining all licenses, permits, consents and approvals. This includes all necessary permits for the storage and use of explosives.

All other licenses, permits, consents and approvals necessary to complete the Work under the Contract are the responsibility of the Successful Bidder.

All costs associated with meeting the Successful Bidder's requirements for licenses, permits, consents and approvals under this clause shall be the responsibility of the Successful Bidder and no additional charges will be made by the Successful Bidder on MBL.

### **1.3.3 Supervision by the Successful Bidder**

The Successful Bidder will provide adequate supervision of the Work at all times as approved by MBL.

### **1.3.4 Planning**

MBL will provide the Strategic (Life of Mine), 2 years Mine Plan, Annual Mine Plan. Based on these plans Successful Bidder will propose 6 months, 3 months, 1 month, weekly and daily Mine Plan to be approved by MBL

MBL has established a mine planning procedure for the mine. The Successful Bidder shall ensure that any mine planning procedure which it adopts integrates with MBL procedure, with the objective of meeting the MBL mine planning objectives.

Within four weeks of commencing mining operations, the Successful Bidder is to provide preliminary mine planning procedures for review and approval by MBL.

MBL reserves the right to alter the mine plans at any time, and such alteration shall be binding upon the Successful Bidder as from the date upon which MBL notifies the Successful Bidder in writing of the alteration.

### **1.3.5 Successful Bidder Reporting**

The Successful Bidder shall provide all the information and reports in an electronic format approved by MBL. All production and equipment operating statistics will be derived based on definitions agreed to by MBL.

### **1.3.6 Daily Reports**

The Successful Bidder shall, prior to 0900 hours on each day during the Contract term, submit a full and accurate report in respect of the work performed by the Successful Bidder on the previous working day including, on a shift by shift basis, without limitation:

1. Details of the mining activities of the Successful Bidder;
2. Loading units employed by the Successful Bidder including their working bench, tally counts, up time, down time and idle time;

3. The number of haul unit loads for each particular loading unit, classification of coal by quality class, waste and other material hauled in each load unit and destination of each load;
4. Blast hole drilling;
5. Blast holes loaded and fired;
6. Day works;
7. Any identified hazards;
8. Any accidents or incidents occurring in the course of the performance of the Work under the Contract, whether involving lost time or otherwise;
9. Other information which may impact on the current or future performance of the Work under the Contract;
10. Statistics on utilization, efficiencies, scheduled hours, work hours and effective production hours by equipment item and equipment productivities;
11. Equipment maintenance report on all equipment noting the availability, downtime, reason for downtime, planned services, expected date and time of release from workshop; and
12. Other information as requested by MBL either, on a regular basis or, from time to time.

### **1.3.7 Monthly Reports**

1. Production summary covering all items in the daily report described above;
2. All information required for the effective processing of the monthly claim;
3. Any and all reports required by the statutory authorities;
4. Equipment maintenance report summarizing major and minor maintenance incurred on all equipment and a summary of the main work carried out on each machine;
5. All information required to assess the rise and fall, including total fuel usage and delivery price, tire consumption and delivery prices;
6. Maintenance plans including the forecast shutdown maintenance;
7. Safety report including a separate summary and status of each incident and accident that occurred during the month;
8. Rehabilitation and environmental compliance report, including a summary and status of each incident and accident that occurred during the month;

9. Other information as requested by MBL either, on a regular basis or, from time to time; and other information which may impact on the current or future performance of the work under the Contract;

#### **1.3.8 Progressive Signing off**

As portions of the Work under the Contract are completed and if considered appropriate by MBL, the Successful Bidder shall submit to MBL, within thirty (30) days of completion of the portion of the work under the Contract, relevant documentation justifying completion. Subject to MBL's agreement, both parties shall sign off on the relevant portion of the Work under the Contract by initialing the completion documentation. An example of such progressive signing off could be the completion of final design landform for a portion of the Waste Dump.

#### **1.3.9 Security**

The Successful Bidder shall comply at all times with the Site security guidelines as determined by MBL. Successful Bidder reserves the right to modify the guidelines.

#### **1.3.10 Successful Bidders Sub Contractors**

The Successful Bidder shall be required to formulate a comprehensive management plan for all independent contractors, visitors or agents entering the Site. Initially, the Successful Bidder should supply documentation to MBL identifying potential risk areas with an emphasis on how the Successful Bidder's management plan/system will ensure compliance with all Site policies and procedures.

It is the Successful Bidder responsibility to ensure that sub-contractors follow all Site approved policies and procedures. Failure to do so may lead to refusal of Site entry for non-compliant sub-contractors.

The Successful Bidder is required to indicate the sub-contractors whom the Successful Bidder intends to sublet any part of the Work under the Contract.

### **1.4 SITE RULES AND PROCEDURES**

The Successful Bidder shall ensure that all persons employed by it and all persons brought onto the Site by it, agree to be bound and will comply, without reservation, with the applicable rules and procedures of MBL including, without limiting the generality of the foregoing, security rules, safety, health and environment systems, standards, insurance of equipment and labour (occupational illness, accident in the work place etc.), public liability insurance, rules and procedures and any other Site regulations and the directions and requests of the MBL pursuant to any such rules and regulations. .

It is the Successful Bidder's responsibility to ensure that all suppliers and visitors to the Successful Bidder follow all Site approved policies and procedures. Failure to do so may lead to refusal of Site entry for non-compliant suppliers or visitors.

#### **1.4.1 Joint Studies**

MBL is committed to undertaking joint studies with the Successful Bidder designed to be beneficial to both parties and/or the Contract. Topics that may be studied include, but are not limited to:

1. Cost effective and productive blast design;
2. Effective and efficient dewatering;
3. Suitability of additives for road stabilization and dust suppression;
4. Coal dilution and coal loss control; and
5. Haulage efficiency and road profiles.

### **1.5 MOBILIZATION AND DE-MOBILIZATION**

#### **1.5.1 Mobilization**

The successful bidder shall be responsible for mobilization to the site of the mining equipment, the Successful Bidder's personnel, the Successful Bidder facilities, and all other items / services required to be supplied or provided by the Successful Bidder to complete the work under the Contract including, but not limited to support equipment, light vehicles, initial material, consumables, stocks & spares. Only approved machinery is to be permitted on site. The Successful Bidder shall ensure that all mobile equipment is clean. The equipment should be in good running condition inspected and approved by MBL. All equipment must comply with the mining legislation and in particular mine safety regulation.

Prior to the mobilization of any equipment to Site, the Successful Bidder must inform the MBL in writing of the type, specification and condition of the equipment. Only approved machinery is to be permitted on Site.

Prior to commissioning on Site, all mining equipment, plant, facilities and other items required to be supplied by the Successful Bidder to complete the Work under the Contract must be inspected and approved by MBL. The inspection will include but not be limited to checks of the general suitability and safe working condition of the equipment. With prior approval from MBL and provided that the costs and expenses are born by the Successful Bidder, the inspection may be scheduled to take place off site before the equipment is dispatched to Site. This will enable the Successful Bidder to make any modifications or changes to the equipment that may be necessary, in a more amenable environment than perhaps exists initially at the Site.

### **1.5.2 Demobilization**

All activities associated with any type of demobilization (including equipment but not limited to support equipment, light vehicles, initial materials, consumables, stocks and spares, apart from those items specifically approved in writing beforehand as remaining on Site upon completion of the Work under the Contract) shall be the responsibility of the Successful Bidder, including all associated costs, taxes and customs duties.

Only those spare parts, maintenance materials and consumable supplies owned by the Successful Bidder are to be removed by the Successful Bidder at any time during or at the end of, the Contract.

No items of plant or equipment shall be de-mobilized from Site without approval of MBL. One month prior notice of an intention to demobilize equipment shall be given. Acceptance of the demobilization shall be at the discretion of MBL.

The Successful Bidder shall be responsible for de-mobilization of the Successful Bidder's mining equipment, the Successful Bidder's personnel, the Successful Bidder facilities and all other items supplied or provided by the Successful Bidder upon completion of the Work under the Contract.

### **1.5.3 Additional Mobilization and Demobilization**

If the Successful Bidder is to replace any item from the mining equipment or to increase or decrease the mining equipment to achieve the agreed production schedule or to replace any Personnel, it shall obtain the prior concurrence from MBL.

## **1.6 EARTHWORKS, ROADS AND WINDROWS**

### **1.6.1 Road Construction**

1. While some site roads required for the Contract term will be in existence at the Contract Execution Date, several access roads and haul roads will require to be progressively constructed. The construction will be responsibility of the Successful Bidder.
2. Haul roads are designed with a maximum 10% gradient, 0.5% cross grade for drainage and width of nominal 3.5 times the width of the largest haul truck, plus drains and berms. Drainage gutters 1 m in depth are located on the down slope side of the road or both sides if the road slopes from the centerline. Bunds are located beyond the gutters.
3. These roads will be constructed by mine equipment using mine waste and designed using California Bearing Ratio (CBR) design criteria suitable for the shock impact of the maximum capacity dumper used by Successful Bidder.

Roads will be 35 m wide with a 25 m wide running surface (based on a nominal overall truck width of 7 m), with gentle shoulders and flat bottom drains.

4. Haul back roads will be constructed in the south and west sides of the South Pit. Trucks will haul along the haul back roads to deliver mined waste to the In-Pit Waste Dump. The haul back concept minimizes truck haul distances and elevations from the mining face to the dump, reducing haulage time, and ultimately reducing the number of trucks required and hence minimizing costs.
5. All activities associated with earthworks and construction of heavy vehicle haul roads at the Site will be of the Successful Bidder's responsibility.
6. The Successful Bidders shall undertake earthworks, excavation, transport and placement of waste for the establishment of various new stockpiles, bunds and roads as required. The Successful Bidder shall construct and maintain all roads, ramps, drains, sumps, embankments, batters, maneuvering and turning areas necessary for the Work under the Contract. All construction will be in accordance with policies, procedures and specifications approved by MBL.
7. The source of waste shall be from the Pit or other areas as approved by MBL. It is the Successful Bidder's responsibility to ascertain that the material selected from the Open Pit is suitable for the construction of the haul roads.
8. Rehabilitation of all earthworks will be conducted at the earliest, practical time. Progressive rehabilitation will be encouraged to minimize the effects slope erosion and by timely and effective drainage control.
9. The Successful Bidders shall ensure dust generation and soil erosion is actively controlled throughout the Successful Bidders work area.
10. All existing light and heavy vehicle access and haul roads at the site shall be maintained in good working condition to the required width for the safe and efficient operation of the Successful Bidder's Equipment and MBL vehicles or as specified by MBL. Such maintenance will include regular grading and watering for dust suppression. Such roads include, but are not limited to, from the Pits to the Waste Dumps, ROM coal Facility area, surface facilities and stockpiles.
11. Any new roads constructed during the course of the work under the Contract will also be the responsibility of the Successful Bidders.
12. The material for the road construction shall be sourced by the Successful Bidders and shall be spread, watered and compacted to a standard approved by MBL and suitable for all weather use by the Successful Bidders Equipment.
13. Windrows shall be constructed, maintained and re-located around the perimeter of working Pits, Pit access ramps, Waste Dump crests and all other areas where vehicles are operating and there exists a potential hazard to their

operation. The windrows shall be of sufficient height and width to prevent vehicles crossing them or of a standard as determined by MBL.

## **1.7 FACILITY AND SERVICES**

1. The Successful Bidder shall supply, erect, commission and maintain facilities required for production. The removal of all the facilities after completion of the job will be the responsibility of the Successful Bidder.
2. The Successful Bidder shall be responsible of any adjustment or relocation of any infrastructure and for provision to be required for the operation of mine.
3. The Successful Bidder shall be responsible for completion of the work under the Contract and shall be responsible for all necessary plant, equipment, and facilities as approved by MBL to carry out the work under the Contract. This shall include, without limitation, the supply of material, plant, labor, supervision, spare parts, tools, drawings and data, services and each and every item necessary for the delivery of coal from Pit to the ROM facility.
4. MBL has in place an energy conservation policy which the Successful Bidder is required to follow. This is designed to minimize waste of energy, and all power consumed to provide supporting services to the Successful Bidder Facilities.

### **1.7.1 Facilities and Services Provided by MBL**

MBL will make available the following services at the perimeter of the Site Facilities

1. Water
2. Electricity of 22kv

The cost of consumption of water and electricity shall be borne by the Successful Bidder

### **1.7.2 ROM Facility, ROM Coal Stockpile and Process Plant**

MBL shall make available the designated ROM coal stockpile area for use by the Successful Bidder, who shall be responsible for any construction, operation and maintenance of the same.

The Successful Bidder shall place coal into the ROM Facility provided and operated by MBL. At no time shall the Successful Bidder attempt to enter, operate or maintain the ROM Facility without approval. Specifications for the ROM Facility include:

1. Elevated ROM coal dumping level;
2. 800 TPH (Tonne per Hour) capacity Feeder Breaker;
3. Approximate live ROM coal surge over the feeder of 1500t;
4. 1000mm maximum size, in any one dimension, of feed; and

5. ROM stockpile area at the feeder breaker level for stockpile of ROM coal that can later be rehandled to the feeder breaker

MBL shall be solely responsible for operating and maintaining the facilities downstream from the ROM Facility, including the secondary crusher, discharge and transfer conveyors and the remainder of the Process Plant.

The Successful Bidder is also required to outline a statement of the operating methodology it proposes to carry out the work under the Contract.

1. The Successful Bidder shall be responsible for the all travel, transportation to and from Site, accommodation, cleaning, messing and retrenchment and all other costs relating to its personnel;
2. Working Hours ;
3. The working hours will be governed by Mozambique law and the same will have to be approved by MBL.
4. Successful Bidder's Sub-Contractors
5. The Successful Bidder will be required to formulate concrete comprehensive management plan for all visitors, independent contractors and agents entering the site, to be approved by MBL.

## **1.8 MINING GENERAL**

### **1.8.1 Working hours**

The Successful Bidder shall nominate the basis of his shift roster. The proposed working hours must be in accordance with Mozambique Law and the Operational Labor Agreement

MBL may reasonably alter the hours of work at any stage during the term of this Contract and the Successful Bidder shall abide by the changes.

Work may only be carried out when adequate supervisory capacity is available to ensure the health, safety and welfare of the Successful Bidder's Personnel at all times and in accordance with all relevant Law.

### **1.8.2 Inclement Weather**

The Successful Bidder acknowledges and accepts full responsibility for any and all operational delays due to inclement weather such as rainfall, electrical storms, high winds and any other weather events. No additional cost shall be borne by MBL in any way resulting from such events.

### **1.8.3 Coal loss and dilution**

It is an essential requirement of the Contract that the Successful Bidder conducts its operations in such a way as to reduce the amount of waste mined as coal and

coal loss as waste to a practical minimum. The extraction method must be capable of selectively mining in accordance with the Mine Plan of coal quality classes, and waste to ensure maximum coal recovery and minimum coal dilution. The extraction method must be capable of selectively mining the coal /waste interface with a coal loss of 50mm at the interface and a waste dilution of 0.75 mm at the interface. If in the opinion of MBL the Successful Bidder is not achieving the essential requirement of mining the coal with minimum dilution of and waste or loss of coal, then MBL may direct the Successful Bidder to modify his operations to achieve this objective. The Successful Bidder is to outline its proposed procedures to control coal quality and recovery.

All Personnel are required to attend a half day training session on dilution control on commencement and on an annual basis thereafter. The trainings sessions shall be conducted by MBL.

#### **1.8.4 Exploration Drill Collars**

The Successful Bidder will best endeavors to ensure that no exploration drill hole collars are damaged in any way during its performance of the Work under the Contract, unless by way of normal bench development and progression of the mining activity.

### **1.9 MAINTENANCE OF ROAD, LIGHTING AND OTHER AMENITIES**

The Successful Bidder is required to maintain all roads within the Site to a reasonable and safe standard including regular grading and watering for dust suppression. As a minimum all site roads will be graded each month.

Provision of suitable road sheeting material;

1. The provision of suitable lighting for safe working condition and statutory requirement with all civil amenities shall be arranged by the Successful Bidder;
2. All existing light should be maintained in good condition;

#### **1.9.1 Ramps, Haul Roads and Dumping Locations**

Haul roads and access roads for the Successful Bidder Mining Plant and Equipment from the Pit to the and Waste Dumps, ROM coal and other stockpiles shall be built and maintained to the required width for the safe and efficient operation of the Successful Bidders Equipment.

Pit haul roads and ramps shall have a windrow constructed on the side open to the Pit or as directed by MBL. The windrow will be of sufficient height and width to prevent vehicles crossing it. This requirement will apply to haul roads and ramps to and on dumps and stockpiles. The minimum height is half the diameter of the wheel of the largest Mining Plant using the road or ramp or general Pit area. If

directed by MBL, the Successful Bidder shall construct runaway bunds or other safety features.

MBL will design the main access ramps to a grade of 1m (vertical) in 10 m (horizontal). In conjunction with MBL the Successful Bidder shall design and establish any temporary ramps as necessary, which may have steeper grades, provided they are suitable to the Successful Bidder Equipment and agreed to in writing by MBL.

The Successful Bidder may build temporary ramps within the Waste Dump and may progress dumping levels in accordance with Equipment availabilities and cycle times. At all times such ramp and dump developments shall be subject to approval by MBL.

It is the policy of MBL to minimise unnecessary disturbance of the natural surface and the Successful Bidder shall take this into consideration for all road location and construction.

All dumping locations shall be maintained and worked in strict accordance with MBL's procedures and general industry safety guidelines. MBL's procedures will take precedence.

### **1.9.2 Dust Suppression**

It will be the responsibility of the Successful Bidder to arrange for the dust suppression in the working area. Water required for the dust suppression will be arranged by the party from the sump. Dust levels will be continuously monitored by MBL to ensure compliance with environmental standards. The Successful Bidder will be required to have effective dust suppression to avoid exceeding these dust limits.

Dust in all Pits and other work areas shall be adequately suppressed by water trucks of a suitable capacity fitted with spray bars or other methods of water dispensing for effective dust control as approved in writing by MBL.

At least one water truck will have the capability to use a high pressure monitor for activities such as firefighting; equipment washes down and wash walls or excavation faces for geological mapping of coal zones.

At least one water truck will be sized to the satisfaction of MBL to enable the safe and efficient watering of light vehicle access roads around the site.

All drill rigs shall be fitted with appropriate dust suppression apparatus, which will be maintained in good working condition at all times.

### **1.9.3 Fire Prevention**

The Successful Bidder shall take all possible precautions to prevent fires of any nature in the general vicinity of his operations and shall be responsible for all damages from fire due directly or indirectly to his own activities or to those of his employees or to the activities of its agents or its employees.

### **1.9.4 Spontaneous Combustion**

The Successful Bidder shall be responsible for all spontaneous combustion remediation in operation area such Pit, coal stockpiles as well in the coal reject dump area with no cost to MBL.

### **1.9.5 No Equipment Servicing over Coal**

The Successful Bidder shall not service any Mining Plant parked over coal zones. If, at any time, any coal is contaminated by the spillage of oil, grease, distillate or other substance that may affect the mining or processing of coal, the Successful Bidder shall immediately notify MBL of the location and estimated quantity of the spillage. The Successful Bidder shall, at his own cost, take all necessary remedial measures and precautions and shall indemnify MBL from any loss resulting from any such event. MBL has in place hydrocarbon spillage procedures that the Successful Bidder shall observe.

## **1.10 MANAGEMENT OF THE SITE WATER CONTROL & PREVENTION FROM FLOODING**

The Successful Bidder shall make provisions for effective water control, drainage, transferring of water and flood management by providing dams, sumps, installing suitable capacity pumps for drainage of water so that the production should continue at given rate at all time. Pit dewatering will comprise two systems.

1. A primary system, which essentially elevates the Pit water from defined Pit sumps to surface discharge points and sedimentation ponds, and
2. A secondary system, which collects and transfers Pit water from the working faces and disturbed areas to In-Pit sumps; this system ensures effective drainage of all workings.

In broad terms, and subject to the following further clarifications, the Successful Bidder will be responsible for both the primary system the secondary system.

### **1.10.1 Responsibilities**

MBL shall be responsible for the following activities in relation to water management:

1. Prepare water management plans as part of the Mine Planning process;
2. Provide the successful Bidder with copies of the water management plans;

3. Nominate the primary Pit pumping capacity required to be installed by the Successful Bidder;
4. Nominate the discharge points on the perimeter of the Pit to which the successful Bidder primary pumping system can discharge.

The Successful Bidder shall be responsible for the following activities in relation to water management:

1. As part of the Successful Bidder's 12-month Mine Plan outline the methodology and capability to meet the requirements of MBL's water management plan;
2. Prepare sumps in the Pit to handle the inflows as nominated in MBL's water management plan;
3. Prepare earthworks and drains in the Pit to ensure water management complies with water management plans;
4. Ensure Pit floor and working areas are clear of all nuisance water at all times;
5. Ensure all Pit water is directed to sumps by gravity and/or transfer pumps;
6. Supply, operate and maintain transfer pumps as necessary to meet with requirements of water management plan;
7. Install, operate and maintain pumps, pipework and ancillary services to remove dirty water from the sumps to the Pit crest and sediment ponds;
8. Establish sediment ponds in the nominated locations to receive Pit discharge water;
9. Ensure storm and run-off water does not enter the Pits with the construction of bunds around the edge of the Pit as necessary;
10. Utilize Pit water for dust suppression of haul roads within the Pit wherever possible;
11. Manage any inflows of groundwater to the Pit(s);
12. Other, as specified by MBL at any time.

### **1.10.2 Activities**

The Successful Bidder shall be responsible for internal drainage within the open Pit so as to ensure that water drains to the appropriate primary In-Pit dewatering sumps. This will include but not be limited to, the upgrade of access ramps, installation and maintenance of culverts and sumps, and the installation and maintenance of any secondary pumping system required to direct water to the primary In-Pit dewatering sumps.

The Successful Bidder shall install pumping systems to lift Pit water from the In-Pit sumps to the surface discharge points. This primary pumping system may pass

through several intermediate stages and the Successful Bidder may be required to provide and maintain access to these stage pump sites.

The Successful Bidder shall be responsible for preventing any storm or run-off water from entering the Pit from beyond the Pit perimeter. Any such water that does enter the Pit shall be removed by the Successful Bidders. If required, bunds will be constructed to a design approved by MBL to divert rainwater runoff around the Pit areas. These will often be of a temporary nature and may require rehandle as mining progresses.

The Successful Bidder shall be allowed to remove minor inflows of groundwater and nuisance water from the active workings. The Successful Bidder shall be responsible for the development of surface drainage on working benches and drop cuts sufficient to keep the working face of each mining area dry as the Pit is mined.

The Successful Bidder shall at all times endeavor to obtain all necessary pumps, pipes and pipe fittings in a timely manner and be responsible for the day-to-day installation, operation and maintenance of the transfer pumps (including refueling and daily service checks) of all dewatering infrastructure within the final Pit limits and within the immediate vicinity of the Pit (including the stage pumps and surface transfer facilities).

The Successful Bidder shall supply all discharge pipes, couplings and hoses for the pump capacity in the Pit and provide adequate labour to install and maintain such items.

The Successful Bidder shall at all times pay due regard to conserving water in all aspects of his operation. No water shall be released from Site by any means without the approval of MBL. Once water has entered the Pit, the cleared area around the Pit or the coal stockpiles, or Waste Dumps, it is considered non-potable water and should be dealt with as such by directing it to an approved sedimentation pond.

Any bunds, drains and associated works remaining at the end of the Contract and no longer deemed necessary for ongoing works shall be decommissioned and rehabilitated in conjunction with the Pit rehabilitation. Insofar as any partial Pit flooding does not cause cessation of mining operations for more than 24 hours, failure of the Successful Bidders dewatering system to adequately dewater the Work under the Contract shall not form a basis for any claim by Successful Bidder.

### **1.11 MOBILE EQUIPMENT**

The successful bidder shall provide the necessary staff for overall and shift supervision. Each working shift shall be under adequate numbers of qualified mine

supervisors for production and maintenance. The successful bidder shall provide the necessary staff for electrical installations supervision and other amenities as per HSE norms. The Successful Bidder should arrange on its own the maintenance equipment and servicing facility for up keep of the equipment deployed in the mine. The successful bidder will be solely responsible to maintain its all mobile equipment and heavy vehicles in good working condition so as to available for production

The successful bidder will be free to choose the equipment to meet the work requirement, as specified in the scope of works. The equipment should meet the International and Mozambican standards for use. The drivers Cabin will essentially be air conditioned.

#### **1.11.1 Specification**

The Successful Bidder shall maintain on site in a safe and operable condition and as defined by MBL's policies and Law, throughout each nominated period, sufficient mobile equipment to the minimum numbers as specified in the Schedules, or equivalent mobile equipment as approved by MBL. The equipment specified shall not be removed from Site without prior approval of MBL, which shall not be unreasonably withheld.

All mobile Equipment shall be fitted with seat belts and sufficient roof or roll over protection (ROP) cabs to prevent injury in the case of an equipment or vehicle roll over.

#### **1.11.2 Operator Licenses**

The Successful Bidder shall ensure that all Equipment operators hold appropriate licenses and /or site proficiency pass outs for the operation of the Equipment and have been tested and approved to operate by way of competency testing.

#### **1.11.3 Two Way Radios**

The Successful Bidder shall equip, obtain license and operate, and maintain in working order at all times all mobile equipment, including light and service vehicles, with two way radios of a type that allow operation on the same frequency channel(s) as nominated by MBL. The Successful Bidder will also ensure that these radios are used in a manner that is consistent with approved standards of use.

#### **1.11.4 Stemming Loader**

The Successful Bidder may provide suitable equipment, approved by MBL, for reclaim of stemming material and stemming of blast holes.

### **1.11.5 Light Vehicles**

All vehicles shall be diesel powered and be equipped with an elevated red flag at least 3.5 meter above ground level and be equipped with a reversing alarm, two-way radio(s), a fire extinguisher and a basic first aid kit. Only light vehicles licensed and approved by MBL will have permission to enter the mining area.

### **1.11.6 Rotary Beacon**

The Successful Bidder shall ensure that all vehicles to be used in the mine area including service vehicles, graders, water carts and road maintenance vehicles shall be fitted with orange colored rotating beacons mounted above the cab of each vehicle.

### **1.11.7 Haul Trucks**

The Successful Bidder's dump trucks shall be fitted with pay load monitoring equipment and destination lights, which shall be maintained in good working order.

### **1.11.8 Supply of lubricants and other consumables**

The Successful Bidder has to arrange all lubricants and other consumables required for continuous operation of the machines.

### **1.11.9 Collection and disposal of all waste material**

The Successful Bidder shall be responsible to arrange for all his waste oils to be stored, retained and collected for recycling as per the environmental policies and procedures of MBL, the Benga mine Project Environment Plan and License and environmental regulations, waste management regulations and other applicable legislation. Waste grease and disposable filters must be transported offsite for recycling or re-use, using an approved transport company.

## **1.12 MINING WASTE AND COAL**

### **1.12.1 Land clearing and top soil management**

In all activities associated with clearing, grubbing and top soil management, the Successful Bidder shall comply with the Mozambique land law and regulations, the municipal by laws, the environmental law and regulations, the environmental regulations for mining and the Environmental Management Plan and Environmental License for the Benga Mine Project and any other applicable legislation, policies and procedures. The top soil removal/mining will be from 0 to a maximum of 5 % of the monthly waste quantity.

#### **I. Land Clearing**

It is MBL's intention to limit the disturbance to the natural fauna and flora. To this end, the Successful Bidder shall only clear and grub during daylight hours and

shall liaise with MBL prior to and during clearing and grubbing operations with a view to preserving selected fauna and flora within the limits of the work under the Contract.

Prior to undertaking any land clearing the Successful Bidder shall submit to MBL in the prescribed form that shall include a plan of the area in question, a request to undertake land clearing. At no time shall any land clearing be commenced without approval and directions from MBL.

The Successful Bidder shall take every precaution to preserve the natural landscape and shall conduct its operations so as to prevent any unnecessary destruction, scarring and defacing of the natural surroundings in the vicinity of the work under the Contract. The Successful Bidder shall give prior notice to its intention to clear any area outside the designated areas so that MBL can determine whether such clearing is necessary. Unless approved in writing beforehand, the Successful Bidder shall not clear and/or grub outside the designated Pit, Waste Dump and road areas.

The Successful Bidder's operations shall be restricted to methods that will not result in the contamination of streams, watercourses and any underground water sources and shall at all times meet with MBL's environmental commitments as outlined in the Environmental Management Plan (EMP).

Small bushes and other light vegetation containing seed shall be crushed (by dozer track or similar) reclaimed together with the Topsoil to facilitate re-seeding and then placed on the Topsoil stockpiles. Care shall be exercised to minimise the transfer of existing weeds to the Topsoil to minimise regeneration. All other material shall be stockpiled and subsequently mulched and retained with the stockpiled topsoil for future use in land reclamation. The Successful Bidder will not be permitted to burn off any vegetation or residual materials after clearing without prior Approval from MBL.

## **II. Topsoil Management**

Prior to undertaking any topsoil removal, the Successful Bidder shall submit to MBL in the prescribed form that shall include a plan of the area in question, a request to undertake topsoil removal. At no time shall any topsoil removal be commenced without Approval and directions from MBL.

Topsoil stripping shall be carried out in and about all areas disturbed by the Work under the Successful Bidder, including, but not limited to, the Pit, Waste Dumps, roads, drains, bunds and surface facilities. Unless approved in writing beforehand, the Successful Bidder shall not strip Topsoil outside the designated

Pit, Waste Dump, road, drains, bunds and surface facilities areas. Identification of Topsoil will be carried out under the control of, and to the satisfaction of, MBL.

The Successful Bidder shall exercise care over all areas to be disturbed where a soil resource exists, thereby optimising the volume and quality of Topsoil recovered and hence to minimise any potential shortfall of Topsoil. In general, it has been assumed that topsoil removal shall average 0.5m across all areas where topsoil is to be removed. However, the Successful Bidder shall exercise care in stripping topsoil as the actual thickness to be removed will vary over the site.

In the contact period it will be necessary to stockpile and store topsoil as there will not be any opportunity to directly spread the topsoil directly over reclaimed areas. Where storage in designated Topsoil stockpiles is required, the maximum height of the stockpile shall be 4 m. Topsoil stockpiles shall have batter slopes of 1 vertical to 4 horizontals and a concave shaped upper surface to collect water. To minimise compaction, only vehicles with low ground pressures shall be allowed to traffic the Topsoil stockpile. Wherever possible, Topsoil shall not be handled when it is excessively wet or dry.

When removing Topsoil from the footprint of the Ex-Pit dumping area it will be permissible to stockpile the Topsoil in a windrow shape around but outside the toe of the planned Ex-Pit dump. This arrangement could be achieved by direct dozing of the Topsoil from the Ex-Pit dump footprint to this storage location. The height of the windrowed Topsoil stockpile is limited to 4 m with batter slopes of 1 vertical to 4 horizontals.

Topsoil placement on the reshaped landform, as and when directed by MBL, will be to a thickness nominated by MBL, typical nominal thickness being <600mm. The Topsoil will be rehandled from the Topsoil stockpile storage areas and will be spread evenly over the reshaped landform. Dust suppression shall be carried out continuously while work progresses to ensure no inconvenience to MBL's other operations or loss of Topsoil occurs.

### **1.12.2 Mining of Waste**

Waste shall be removed in accordance with the Mine Plans issued in accordance with at the direction of MBL. The Successful Bidder shall remove the end waste and place it on the Waste Dumps as per mining plan. The waste is to be placed in layers at a bench height of not more than thirty (30) meters and in such a manner as to optimise in-dump compaction.

The Successful Bidder shall take all reasonable efforts to ensure spillage, including oversize, from the upper benches of any cutbacks to the lower benches, is kept to a minimum.

Waste Dumping areas will be advised which relate to chemical characteristics and acid generation potential. The Successful Bidder must ensure that waste destinations, as advised by MBL, are strictly adhered to. MBL and Successful Bidder will jointly plan and manage the Waste Dump developments.

All Waste shall be dumped at locations indicate by MBL Mine Plans. Where material designated as waste is incorrectly dumped on a ROM stockpile the costs of recovery and correct placement of such material shall be met by the Successful Bidder. Where material designated as waste is incorrectly fed directly to the ROM Facility, which results in downtime for the Process Plant, the Successful Bidder shall be back charged at the relevant rate for Process Plant downtime or part thereof. This amount shall be deducted from the invoices on estimation basis.

Surfaces of Waste Dumps shall be formed and/or shaped to the design landform. The typical Waste Dump profile will be used for reference. Such rehabilitation shall be progressive. Surfaces of Waste Dumps and intermediate berms shall be finished to minimise batter scour and rock lined drains constructed to ensure excess run off is controlled and directed to sediment traps or into other catchment areas. All waste shall be placed within the dump footprints as directed by MBL.

When directed by MBL, the Successful Bidder shall dump waste in the Pit. This will be either from outside the Pit, with dumping over the Pit crest, or within the Pit itself. The Waste Ex-Pit Dump shall be constructed as follows:

1. To best fit the available mining boundary;
2. Operating batter slope of 36 degrees (nominal angle of rill)
3. Operating berm width of 40m increasing to 50 m when a major haul road is required on the berm
4. Standard overall side slopes of 30 degrees on low visibility slopes and 10 degrees on high visibility slopes;
5. The maximum height will be 100 m;
6. Berms in the final overall slope will be 10 m in width, all berms will be on the contour and have an outer edge bund for drainage and erosion control;
7. All berms, slopes and upper surfaces will be covered by Topsoil and vegetated;
8. A toe bund at the base of the Waste Dump occurring on land to act as a sediment trap and dissipate energy from runoff flows down the batter.
9. The surface of any PAF dumps will be sealed with a compacted clay seal
10. Low PAF rated materials will be dumped towards the outer edge of the dumps while higher PAF rated materials will be confined to the inner portion of the dump.

### 1.12.3 Mining Coal

The general approach to mining coal will be to strip waste off the roof of the coal block to expose the limit of the block, enabling the block to then be removed by mining perpendicular to the strike as far as the floor contact of coal and waste. In confined mining areas other excavation methods will be approved by MBL on a case by case basis.

All coal to the CHPP will be delivered via the ROM facility. At no time coal will be placed directly from the Pit in to the ROM stockyard facility without prior approval of the MBL.

Coal feed to the ROM facility shall be sourced from one or more of the following:

1. The Pit direct
2. Benga South ROM coal stockpile by front end loader or front end loader dumper combination as per requirement.

The direct feed from Pit to bin shall be recorded by the Successful Bidder on shift wise, daily wise and monthly basis and to be reported to MBL.

The Successful Bidder will feed the ROM facility in the manner out lined above to ensure continuity of ROM coal feed to the coal processing plant (CPP). The ROM facility will be managed in such a manner that:

1. The Successful Bidder's scheduled mining activities shall meet the demand for the coal at feeder breakers.
2. Oversize is regularly reduced in size and not allowed to hinder the effective operation of the coal re-handling activities and Successful Bidder shall ensure that no lump of coal delivered having any single dimension in excess of 800 mm.
3. The specified feed blend is managed as may be required by CHPP operations.
4. Drainage has to be maintained and hard and smooth floor conditions prevail.

The Successful Bidder shall ensure, as far as practicable, that the coal excavated and hauled is free of any foreign material. The Successful Bidder shall work to the Site procedure for management of lost ground engaging tools and equipment.

The Successful Bidder will conduct the work under the Contract such that the coal is mined with minimum dilution and loss of coal.

If in the opinion of MBL the Successful Bidder's operations are not achieving the essential requirement of mining the coal body with minimum dilution of, or loss of coal then MBL may direct the Successful Bidder to modify its operations to achieve this objective.

No coal block shall be mined unless approved by competent authority from MBL to ensure that dilution and coal losses are controlled.

In the event that coal incorrectly dumped is not retrievable, the Successful Bidder shall pay compensation to MBL for the tonnage of coal lost, such tonnage to be agreed between the Successful Bidder and MBL, and failing agreement within 5 working days, to be determined by MBL.

## **1.13 ROM FACILITY AND ROM STOCKPILES**

### **1.13.1 Coal Feed to the ROM Facility**

Coal feed to the ROM Facility shall be sourced from one or more of the following:

1. The Pit direct;
2. Benga South ROM coal stockpile by front end loader;
3. Benga South ROM Coal stockpile by truck

The ROM Facility operating philosophy of MBL is to treat the facility as an extension of the Coal Processing Plant feed conveyor. The Coal Processing Plant feed is planned to be achieved by operating for 7000 hours at 800 TPH (Tonne per Hour) with 0.95 efficiency factor.

The Successful Bidder will feed the ROM Facility in the manner outlined above to ensure continuity of ROM coal feed to the Coal Processing Plant. The ROM Facility will be managed in such a manner that:

1. The Successful Bidder's schedule of mining activities shall meet, or exceed, the demand for coal at the Feeder Breaker;
2. The specified feed blends are managed;
3. The ROM stockpile is managed in a safe and efficient manner;
4. Oversize is regularly reduced in size and not allowed to hinder the effective operation of the coal rehandle activities;
5. Drainage is maintained and hard, smooth floor conditions prevail
6. Any ROM coal that is reclaimed is with minimal losses and minimal excavation of the ROM stockpile base materials; and
7. Signage is obeyed, protected and not destroyed

To facilitate efficient operation of the ROM Facility, the Successful Bidder shall ensure that no lump of coal delivered will have any single dimension in excess of 1000mm.

It is the responsibility of the Successful Bidder to haul and dump coal according to designated quality and Process Plant constraints of the coal. The Successful Bidder is at all times to be careful to minimise fines generation during any coal handling.

### **1.13.2 Managing the ROM Coal Stockpiles**

ROM coal stockpiles shall be built and maintained according to the procedures and design of MBL at the Successful Bidder's expense. The height of stockpile shall be up to 8 meters but at all times in accordance with the safe working height of the front end loader in use. Coal stockpiles shall be self-draining. MBL reserves the right to modify the ROM coal stockpile design to improve the effectiveness of the operation. Activities associated with the construction of ROM coal stockpiles and the maintenance of the stockpiles to the satisfaction of MBL.

All coal stockpile areas are constructed to contain any surface run off and prevent any water release into the environment. The integrity of these areas is to be maintained and managed by the Successful Bidder. This shall include perimeter drains and ROM coal stockpile surfaces to ensure good drainage.

Any activities associated with stockpiles developed without the prior approval of MBL or developed for the Successful Bidders convenience shall be at the Successful Bidder's expense. Such activities may include, but not be limited to, the creation of temporary stockpiles and associated rehandle.

The Successful Bidder will be fully responsible for maintaining the ROM coal Stockpile layout including the relocation of broken oversize to permit safe and efficient operation at all times.

The coal feed from stockpile must be in system of First in First out (FIFO) to not allow the coal to be stocked for long time and lose the quality.

### **1.13.3 ROM Coal Rehandle**

The Successful Bidder is responsible for ensuring coal is delivered to the ROM Facility at the rates as directed by MBL. To supplement direct tipping by haul trucks from the Pit, rehandle from the ROM coal stockpiles will be required. This rehandle will comprise a combination of direct loading, trimming and tipping by a front end loader and loading by a front end loader into trucks for haulage direct to the ROM Facility or to a ROM Coal stockpile for subsequent rehandle.

### **1.13.4 ROM Front End Loader**

The Successful Bidder will provide a front end loader with the capability to deliver up to 800tph to the ROM Facility when direct mining from the Pit does not meet this rate. The Successful Bidder must meet this requirement with some over supply for machine service and operator breaks.

The front end loader and operator shall be available for ROM coal feed and any other suitable duties in and around the Process Plant.

A suitably sized back-up loader is required to be maintained on site at all times, albeit it can be utilized on other duties when not required for coal rehandle.

The Successful Bidder is to notify MBL of any significant planned downtime on the front end loader. In such an event the Successful Bidder shall ensure that stockpiling is undertaken close to the crusher or direct dumping of coal from the Pit into the Crusher is possible. Prior to the need for a replacement front end loader to be mobilised, the Successful Bidder shall obtain approval. No mobilisation or other charge to MBL shall be made for such replacement front end loader.

### **1.13.5 Interference to the ROM Facility or Process Plant**

It is MBL objective that no oversize coal, tramp metal, plastic or any other non-rock material capable of halting or damaging the Process Plant be placed in the ROM Facility. Should placement of such material by the Successful Bidder in the ROM Facility lead to blockage of the ROM Facility, stoppage of the crusher or Process Plant, the Successful Bidder shall

1. Immediately notify MBL of blockage
2. Under MBL supervision, commence activities to remove the blockage.
3. At no stage should methods, which may potentially damage the ROM Facility or crusher be employed, such as attempting to push oversized Coal or tramp steel through the opening, unless authorised by MBL.
4. Damage to the crusher resulting from Successful Bidder negligence will be repaired by MBL and the cost thereof shall be recovered from the Successful Bidders invoice.

In the event that coal with a dimension in excess of 1000mm is delivered to the ROM Facility and the Process Plant must be stopped by MBL, then the Successful Bidder shall pay to MBL compensation for the opportunity cost of lost process time. Similarly, any Process Plant downtime resulting from the Successful Bidder as a result of his negligence and/or introduction of tramp metal, plastic or any other non-rock material, will result in the Successful Bidder paying compensation to MBL for the opportunity cost of lost process time on estimation basis

In the event that non coal material is incorrectly dumped on the ROM stockpile and is not retrievable, the Successful Bidder shall pay compensation to MBL for the opportunity cost of processing this non coal material volume on estimation basis,

such volume to be agreed between the Successful Bidder and MBL, and failing agreement to be determined by MBL.

#### **1.14 PIT WORKING AREAS**

The Successful Bidder shall keep all Pit floors graded and level and shall ensure that Mining Plant and Equipment is controlled so as to allow adequate room for dump trucks and working Equipment to pass, manoeuvre and turn around safely. Bench crests shall be safely windrowed as required.

Pit benches shall in all cases be kept within 0.3 meters of the bench design elevation. Floor control shall be carried out using GPS, laser or other approved remote methods that minimise the presence of personnel on the Pit floor.

Coal surfaces shall not be trafficked without the express approval of MBL and in any event routes will be strictly followed as agreed. Coal and waste shall not be mixed for floor leveling purposes. No road sheeting will be placed over coal surfaces unless approved by MBL in writing. In the event of heavy rain causing flooding within the Pit or seepage of water into the Pit interfering with mining operations, it shall be the responsibility of the Successful Bidder to excavate sumps and provide and operate pumps to transfer from working areas to the point of re-pumping when and where directed by MBL. Location of sumps shall be at all times with the express approval of MBL. **Bench Heights**

The bench height in coal and waste is to be twelve (12.0) meters. The Successful Bidder may mine waste and coal at other bench heights, subject to approval from MBL.

##### **1.14.1 Batter Trim, Ground Support and Final Walls**

The Successful Bidder shall excavate all interim and final wall batters to within a tolerance of 0.5 meters of their design position. All berms shall be kept clean of debris and be graded to provide drainage in order to prevent erosion of Pit batters. All working benches and floors within the excavations shall be maintained in a clean and tidy manner, free of rock debris.

The Successful Bidder shall undertake batter trim as part of the normal mining sequence. The Successful Bidder shall ensure interim and final wall batters are formed and maintained to ensure a safe operating environment and minimum rock fall.

Upon completion of trimming the Successful Bidder will seek the approval of MBL Representative before the wall is signed off as completed. Trimming works will not proceed unless the operator has the approved wall design information. All

trimming operators will be trained by the Successful Bidder and no untrained operator will be permitted to scale walls.

Where blasting has not been carried out prior to excavation, the Successful Bidder shall grade batters as directed by MBL Representative. Where blasting is required, the Successful Bidder shall carry out any specialist blasting including but not limited to buffer, trim and pre-split blasting techniques as directed by MBL to maintain the integrity of the final batter and minimise disturbance of the material beyond the Pit limits. All perimeter blast holes shall be drilled parallel to the design batter, or as otherwise directed by MBL.

### **1.15 DRILLING AND BLASTING**

All drilling and associated activities must be in accordance with the provisions of the Mozambique Mine Safety Regulations, which the Successful Bidder shall ensure it is fully acquainted with. The Successful Bidder will be required to provide a drilling service for the following key activities:

Blasting activities must be authorized in terms of the applicable Mozambique Mine Safety Regulations and Environmental Regulations for Mining and are carried out by personnel that are duly qualified and authorized in terms of the regulations. The Successful Bidder shall be required to manage the purchase, handling and placement of explosives down the blast holes. The operation of these services and facilities shall be in strict compliance with all applicable laws for storage, handling and use of explosives.

#### **1.15.1 Blast Hole Drilling**

The Successful Bidder's activities in relation to blast hole drilling will include, but not be limited to:

1. Preparation of the surface to ensure good drainage and removal of surface water, mud, loose or broken rock which would cause collaring or access difficulties;
2. Layout of blast hole positions prior to drilling
3. Drilling of blast holes to the specified diameter and tolerance and specified depth for the charging plan;
4. Hole collar protection to avoid fall back of drill cuttings, surface infiltration of water and subsequent collapse;
5. Boundary markers to delineate the drill pattern limits and minimize disturbance;
6. Supply and installation of suitable protection media such as bags or cones shall be responsibility of the Successful Bidder;

7. Provision of a detailed drilling report in accordance with MBL's specifications; and such other works that MBL may nominate.
8. Drilling maybe required on both day and night shifts to meet scheduling requirements.

#### **I. Pre-Split**

The objective of pre-split drilling will be to establish a structurally sound face at the design position and face angle, prior to excavation. The Successful Bidder and MBL shall work closely to ensure the integrity of the final batters.

All pre-split drilling shall be undertaken with drilling equipment in good condition and capable of accurately aligning the drill string to the specified drilling direction. The areas to be drilled and methods to be employed will be at MBL's discretion.

#### **II. Collar Protection**

In wet areas or poor ground conditions where three (3) holes have been tried and unsuccessfully drilled, the Successful Bidder shall cease drilling and Contract MBL's Representative for direction before further drilling is attempted. The Successful Bidder may be directed to improve de-watering in the vicinity of the drilling pattern or use collar protection for the remainder of the drilling in the affected area, or any other mutually agreeable solution to the drilling problem.

**1.15.2** The Successful Bidder will cooperate fully with MBL in providing a suitable and timely solution to the drilling problem such that productivity is not unduly affected.

#### **1.15.3 Drilling Tolerance**

The Successful Bidder is required to accurately lay out, rig-up and collar each drill hole in the correct collar location and orientation. The collar position must be located within 100mm of the designed burden and spacing dimension. Pre-split hole locations prior to drilling must also be within 100mm of the designed spacing dimension as per approved blast plan.

Production blast holes, trim blast drill holes, final limit and pre-split drill holes must not deviate by more than 2° in azimuth or dip over the length of the hole. Random downhole surveys may be carried out by MBL to ensure the specified dip and azimuth is adhered to. Where more than 10% of holes exceed the maximum allowed deviation all holes will be surveyed and if necessary re-drilled at the Successful Bidder expense. The Successful Bidder will be required to bring the exposed batter back on design at his own expense. The Successful Bidder must reach agreement with MBL on the proposed method of rectification before work commences.

## **I.Depth and Diameter**

All holes must be drilled to the required depth and the Successful Bidder must follow the standard quality control procedures established by MBL to achieve the required tolerances and assess the accuracy of the completed holes. MBL may from time to time monitor and record hole depths or check the data collected by the Successful Bidder. Holes which fail to meet the specified depth will result in the Successful Bidder being required to backfill, clean out or re-drill the holes, or otherwise remedy the hole depth to that originally directed. If the Successful Bidder is experiencing difficulty in achieving the designed hole depth or the hole stability cannot be maintained, then the Successful Bidder must seek the advice of MBL before continuing. Typically, 10% sub drill for production blast holes will be required. The Successful Bidder is to make suitable allowance for fall back in blast holes such that at the time of loading the blast hole is within -200/+400 mm of the design depth and such allowance will be to the Successful Bidder's cost.

Except where the Successful Bidder can demonstrate to MBL 's satisfaction that the variation in hole diameter is due to ground conditions, hole diameters shall be as specified by MBL with a tolerance of +/-5%. MBL will have at its absolute discretion the right to accept or reject any holes that are outside of these tolerances.

## **II.Remedy**

Where holes are found to be drilled outside the required tolerances, then the Successful Bidder will be required to re-drill or otherwise rectify the situation to ensure design details are achieved. All such remedies are to be performed to the satisfaction of MBL and at no cost to MBL. If the Successful Bidder is experiencing difficult drilling conditions MBL must be contacted after three (3) successive failures for instructions.

## **III.Re-Drilling**

No costs will be allowed for re-drilling of holes required, due to:

1. Lack of collar protection and water control by the Successful Bidder;
2. Failure of the Successful Bidder to meet design parameters;
3. Poor collaring procedures allowing partial backfilling of the hole;
4. Loss of holes due to Successful Bidder traffic over the area; or
5. Any other action of the Successful Bidder that may affect the integrity of the hole and prevent effective charging.

The Successful Bidder will warrant the integrity of any hole drilled for blasting purposes for a period of 48 hours from the time of hole completion. This

warranty does not extend beyond factors that are within the direct control of the Successful Bidder.

#### **IV. Reporting and Recording**

At the completion of each day worked the Successful Bidder shall provide a drilling report to MBL. The report shall be in electronic form and detail all activities of the Successful Bidder in respect to the Work under the Contract and shall include but not be limited to the following items:

1. Date and shift;
2. Work place inspection report, including safety hazards/incidents/accidents or absence thereof
3. Working areas and bench elevation;
4. Number of holes drilled;
5. Depth of holes;
6. Diameter of holes;
7. Work hours;
8. Total meters drilled, material type and drilling productivity by drill unit;
9. Penetration rates and drill consumable usage
10. Non-working hours;
11. Equipment utilization, including time lost due to maintenance or repairs;
12. Collar protection installed; and
13. Comments (e.g. general drilling conditions, wet/dry holes).

All drilling measurements are to be made and recorded in the metric system to an accuracy of +/-100mm. If drilling is delayed as a result of ground conditions, driller's negligence or mechanical failure then MBL and Successful Bidder Representatives must make an independent statement on the daily drill log stating their respective opinions of the situation and the cause of any delay(s).

Upon receiving the shift drilling report MBL's Representative shall check the report for correctness and may make such additions or deletions as MBL Representative considers necessary to correct or complete the report, whereupon MBL Representative shall sign the report as being true and correct.

#### **1.15.4 Blasting**

##### **I. General**

The works to be performed by the Successful Bidder under this section of the Contract include, but are not limited to:

1. Blast design, proposed blast hole loading plan and the acknowledgment of all safety precautions and any special loading requirements prior to commencement and implementation of the loading design. Any subsequent modifications require the approval of MBL;

2. Procurement delivery and storage of all required blasting materials and accessories;
3. Provision of suitably qualified and experienced personnel to carry out all blasting activities;
4. Provision of all necessary warning signs, bunting, warning sirens, personnel, vehicles and equipment to supervise, initiate blasts and guard the blast area from access by others;
5. Backfilling of quality control holes not used for blasting, where a separate pattern of blast holes is to be utilised for blasting purposes;
6. Set out, priming, charging and stemming of production holes to be blasted;
7. Set out, priming, charging and stemming of pre-split or trim holes to be blasted;
8. The provision for experienced hose handling personnel to assist in bulk explosives loading;
9. The inspection, making safe and clearance of all blast areas following blasting;
10. The return of all unused explosives to the correct magazine after the blast loading is completed;
11. The maintenance and updating of all regulatory documentation as required by the relevant authorities;
12. The unloading of packaged explosives and accessories from the provider's transport trucks to the magazine and the stock take of the magazine replenishment;
13. The general housekeeping of the magazine and safety inspections to ensure compliance with standards;
14. The maintenance of stocks and management of the explosive magazines and facilities, including weekly magazine stock take
15. The compilation of detailed Blast Reports to MBL's specifications; and
16. Such other blasting works as MBL may nominate.

The Successful Bidder under its obligation, by itself or through an explosives provider will acquire and use explosives, primers, delay detonators and initiation accessories. Bulk product will be delivered by the Successful Bidder to the drill pattern to be charged. The blasting accessories and packaged explosives will be delivered, by the Successful Bidder, to the Site explosive magazines. The Successful Bidder shall exercise control and have responsibility for all matters pertaining to the use of blasting accessories and packaged explosives upon delivery to the magazines including the unloading of explosive from the delivery truck to the magazine and stock taking of magazine replenishment. The Successful Bidder shall exercise control and have responsibility for all matters pertaining to the use of bulk explosives upon delivery to the drill pattern.

When carrying out blasting operations, the Successful Bidder shall take all necessary precautions for the proper protection of persons, the work under the Contract and property. The Successful Bidder shall be responsible for, and at its expense make good, any damage done to the Work under the Contract or to property by blasting.

## **II. Blast Designs**

Blast design will be completed by the Successful Bidder with approval from MBL. The Blast Design will specify all drilling and blasting parameters including hole pattern, diameter and depth, the explosive type and quantities to be used, initiation parameters and stemming type and column length.

Some general blast parameters required by MBL for blasting in all material (coal, and waste) are as follows:

1. Hole by hole initiation;
2. Firing along the strike of the coal body;
3. Pattern geometry, which approximates a 2 to 1 width to length ratio in coal;
4. Use of none in-hole delays and surface delays;
5. Placement of initiation point in and waste wherever possible;
6. Placement of center lifts in bulk waste wherever possible;
7. Blasting on 10.0m benches with approved sub drill; and
8. Sufficient stemming height to minimise coal movement and prevent fly rock and cratering.

Typically, “paddock” blasts will be used with coal, and waste fired simultaneously, but MBL may require alternative blasting methods if required to optimise coal recovery or control blast induced damage. MBL shall routinely carry out spot checks on blast holes for drill depth checks and similar.

## **III. Blast Report**

An interim Blast Report including, but not limited to, details on drilling, water occurrence, charging, initiating systems and stemming, in a MBL approved format will be supplied by the Successful Bidder to MBL within 24 hours of the blast being fired. A final Blast Report including, but not limited to, details on digging productivity, toe and secondary breakage, in a MBL approved format will be supplied by the Successful Bidder to MBL within 24 hours of excavation of the blasted material.

## **IV. Qualification of Blasting Supervisor**

Blasting operations shall be under the control of a competent person who shall demonstrate to the satisfaction of MBL’s Engineer, competence in the use and handling of explosives and the management of the blast hole loading crew.

If deemed necessary by MBL, the competent person appointment may be revoked and the Successful Bidder shall replace the person with a replacement competent person forthwith.

#### **V. Competency of Blast Crew**

The Successful Bidder's competent person shall be responsible for the training, assessment and documentation of the competency of all blast crew members in accordance with the standards and procedures of MBL and good internationally recognised blasting practices. The Successful Bidder may also be required to assist in the training of MBL personnel for the purpose of obtaining relevant experience to meet statutory requirements.

#### **VI. Explosives Supply and Storage**

The Successful Bidder shall be required to supply, manage the storage, handling and placement of explosives down the blast holes and for the safe-keeping of explosive materials at all times. The operation of these services and facilities shall be in strict accordance with all applicable Law. The Successful Bidder shall maintain a vehicle on Site at all times which is suited to carrying high explosives and packaged explosives.

The Successful Bidder will be responsible for the maintenance, operation and management of all Open Pit explosive storage facilities to the satisfaction of MBL and in accordance with the procedures of MBL and good internationally recognised magazine management practices.

The Successful Bidder will be responsible for keeping the magazine and surrounding area orderly and clean to the satisfaction of MBL. Accurate daily stock records shall be maintained in cooperation with MBL's stores personnel and be available for inspection by MBL. The magazines shall be kept locked at all times when not attended. All unused explosives, detonators and blasting accessories shall be promptly returned to the magazines in accordance with the procedures.

Sufficient explosives shall be stored on Site at any time to meet at least one week of blasting requirements.

#### **VII. Charging Procedures**

The Successful Bidder will follow MBL's procedures for the safe carrying out of all charging activities. Such procedures shall be reviewed and updated from time to time as required and the Successful Bidder will be expected to contribute to these reviews and updates.

Without limiting the generality of the foregoing, the Successful Bidder shall obtain the consent of MBL prior to using any explosive. The Successful Bidder must only use explosives for approved purposes as directed by MBL.

The Successful Bidder will be responsible for ensuring that the approved Blasting Safety procedures are observed. These procedures are to include but not be limited to the following;

1. Notification of all personnel on the Site to be affected by the charging operations.
2. Posting of signs on all avenues of approach to the area of charging operations.
3. Clearly delimiting the charge area by using continuous bunting or flagging, supported on pegs or pickets, so as to be at least 1.0m above the ground or by witches hats and signage.
4. Safe access of explosive vehicles to the charging areas.
5. Escort of bulk explosives vehicle to and from the charging areas.
6. Immediate return of unused packaged explosives and blasting accessories to the magazines at the completion of the charging operations, or earlier if possible.

#### **VIII. Blast Initiation Procedures**

The general blasting procedures established and periodically updated by MBL will be followed for all blasting activities carried out by the Successful Bidder. Specific procedures may relate to various areas of sensitivity to the public and must be followed in addition to the general blasting procedures. The Successful Bidder may at any time request a review of the blasting procedures, particularly in relation to blasting likely to present a hazard to road users or cause damage to facilities or installations.

The Successful Bidder will be responsible for ensuring that all relevant safeguards and precautions are observed with respect to the blasting operations including, but not limited to, the following;

1. All personnel on Site are notified of the area to be affected by the blast and the time of the blast;
2. Adequate patrols to ensure safety are provided;
3. Signs are posted on all roads, tracks, trails or other avenues of approach to the area of probable effect and are in number, design and message approved in writing by MBL;
4. The language for signage is to be Portuguese with secondary notification possibly abbreviated in English
5. Sufficient trained blast guards are posted at a safe distance from the blast area to prevent unauthorised ingress into the blast area;
6. Prior to firing a blast, the shot firer will first determine that the blast guards are in position and that effective and reliable two-way radio communications are established between the shot fire and the blast guards. The shot firer will also

- establish that the blast guards are in positions such that they can control all traffic movements between themselves and the blast area;
7. Once the shot firer has determined through his blast guards and also by his own observation that no traffic will pass through the blast area at the time of blasting, he shall initiate the blast. Initiation shall be by electric or non-electric methods (safety fuse is not to be used) most suited to the prevailing conditions and as previously agreed in writing by MBL.
  8. After firing the blast, the shot firer shall determine if the blast area is safe. Once this has been determined, the all clear shall then be given by the shot firer to the blast guards.

A detailed, mutually agreed Blast Initiation Procedure shall be maintained, updated as required and adhered to at all time. **Blasting Times**

Blasting times shall be during daylight hours and standardised by MBL in consultation and agreement with the Successful Bidder. Normal blast times are 12:15 hours and 17:30 hours subject to change from time to time as determined by MBL.

#### **A. Failure to Blast**

Unless agreed otherwise with MBL, all blasts are to be fired within fifteen (15) minutes of the nominated firing time.

If not fired within fifteen (15) minutes of the nominated time, then the blasting sequence is to be terminated and the blast re-scheduled. The Successful Bidder will make the blast area safe, remove the surface initiation devices and barricade the area from access.

#### **B. Sleeping of Blast**

If it is required to hold blasting overnight, then the Successful Bidder will be responsible for providing equipment to barricade, hazard light alert and signpost the area. The Successful Bidder shall notify MBL of the location and measures taken to protect the area.

If the shot is to be left partially tied up then, the Successful Bidder will be responsible for the placement of a sentry to ensure no access to the shot area. Under no circumstances are the inter row delays to be left in place on a sleeping shot.

#### **C. Standards**

The amount of sub-grade broken ground shall be minimised whilst maintaining a level floor free from toe. Where MBL decides that fragmentation and floor

conditions are unsatisfactory, MBL shall direct the Successful Bidder to amend the drilling and blasting practices accordingly.

If though reasons of poor quality control in drilling or blasting carried out by the Successful Bidder, there is to be ripped or drilled and blasted, then these activities which will be required to gain the specified level floor condition shall be completed.

#### **D. Maximum Size of Coal for Processing**

The maximum size of coal to be delivered into the ROM Facility will be 800mm in any one dimension. MBL and Successful Bidder shall work together to minimise the amount of oversize coal.

The Successful Bidder shall take all reasonable endeavours to manage all oversize material in the Pit prior to haulage to the ROM coal stockpiles or ROM Facility. Wherever possible, secondary breakage with Mine equipment is to be used in preference to secondary blasting.

Any oversize coal that is inadvertently hauled to the ROM coal stockpiles or ROM Facility will be the responsibility of the Successful Bidder to break at the ROM.

#### **E. Stemming**

The Successful Bidder will be responsible for the provision of all suitable blast hole stemming.

### **1.16 MANAGEMENT**

All activities associated with management, supervisory, service and clerical personnel, off-site personnel support, tools, equipment & service vehicles, computing, communication equipment and infrastructure maintenance are in responsibility of Successful Bidder..

#### **1.16.1 Day works**

The Successful Bidder is obliged to provide the equipment and labour to MBL on its request for any purpose other than Mining activity for which this contract is intended for. The rates for such equipment and labour will be mutually agreed on case to case basis.

### **1.17 MEASUREMENT OF QUANTITIES**

#### **1.17.1 Survey before starting of Mining operation to set initial profile**

There will be a Joint survey by MBL and Successful Bidder to establish initial profile before start of mining operation and to set survey control points across the Site for future material volume computation. These control points shall be securely

delineated and marked for access by both MBL surveyor and Successful Bidder surveyor.

In case of any dispute MBL's position will prevail.

### **1.17.2 Monthly Mining Survey**

MBL shall, at the end of each Month, carry out a survey of the area mined during the Month. From time to time, MBL may carry out an aerial survey of the mine area, including the Pit. Such Survey Report will include the quantity of waste and ROM removed from the face and the quantity of ROM delivered at Delivery Point (for the purpose of monthly invoicing)

Copies of the survey data will be made available to the Successful Bidder in both hard copy and electronic media at no charge.

The Successful Bidder may perform aerial or other check surveys at the frequency of its choice. Copies of aerial and other survey data will be made available to MBL in both hard copy and electronic format at no charge.

Survey report of MBL will be final for all purpose.

### **1.17.3 Survey on Completion of Contract**

On completion of the Contract, there will be a joint survey by MBL and the Successful Bidder in order to verify the total material volume computations.

In case of any dispute MBL's position will prevail.

## **1.18 LAND CLEARING AND GRUBBING**

Land clearing and grubbing will be the responsibility of the successful bidder.

The destination of the excavated waste will be in accordance with the mine plan and will be either to Ex-Pit dumps or to In-Pit dumps. Dump face heights of 30m are planned

The haul route will be as directed by MBL and will only utilise routes that have been constructed or upgraded to a standard suitable for the haulage equipment.

## **1.19 EMPLOYEE, INDUSTRIAL AND COMMUNITY RELATIONS**

### **1.19.1 Employee Relations**

The Successful Bidder is responsible at all times for the due and proper conduct of all employee relations in respect of Work under the Contract.

Within thirty (30) days of the Contract Execution Date, the Successful Bidder shall develop and submit to MBL a Site Specific Employee Relations Management Plan for confirmation and ratification by MBL. The Successful Bidder is required to

outline its Employee Relations Management Plan. This process shall be consistent with MBL's employee relations procedures, workplace requirements and philosophies, and at all times be the responsibility of the Successful Bidder, albeit MBL shall at all times be kept informed of developments.

MBL shall require the Successful Bidder to address, but not be limited to the following in the Employee Relations Plan:

1. Recruitment and selection criteria
2. Fair treatment process
3. Induction, ongoing training, development and termination
4. Drug and alcohol abuse management
5. AIDS and hepatitis management
6. Safety, Health and Environment Management Plan, including training and awareness schedule
7. Occupational Health and Workplace Rehabilitation
8. OH&S reporting and monitoring methodologies
9. Employee Performance Management, and
10. Employee Environmental Awareness.

The Successful Bidder shall at all times be encouraged to develop for discussion further initiatives in relation to the Employee Relations Plan that would assist in developing an integrated approach.

### **1.19.2 Industrial Relations**

The Successful Bidder is responsible at all times for the due and proper conduct of all industrial relations in respect of Work under the Contract.

Within thirty (30) days of the **Contract Execution Date**, the Successful Bidder shall develop and submit to MBL a Site Specific Industrial Relations Management Plan for confirmation and ratification by MBL. The Successful Bidder is required to outline its proposed Industrial Relations Management Plan. This process shall at all times be the responsibility of the Successful Bidder but MBL shall at all times be kept informed of developments.

MBL shall require the Successful Bidder to address, but not be limited to, the following in the Industrial Relations Management Plan:

1. Details of industrial relations arrangements (union membership and awards/agreements) that have applied to the Successful Bidder's work on sites over the previous 3 years
2. Any industrial awards or agreements to which the Successful Bidder is currently bound
3. The industrial award, agreement or employment arrangements that shall apply to all work undertaken on Site

4. Details of the employment conditions including rates of pay, allowances and general employment benefits
5. Details of union membership
6. Procedures for the recruitment and engagement of personnel for the Site, plus strategies for ensuring:
7. A harmonious industrial relations environment is achieved and maintained, and
8. High standards of OH&S are achieved.

### **1.19.3 Community Relations**

MBL has a policy of developing and maintaining good and productive relationships with the local community. The Successful Bidder is responsible at all times for the due and proper conduct of all its Personnel with regard to community relations. The Successful Bidder is to follow the directives and intention in this Community Relations Management Plan at all times, noting that MBL reserves the right to alter the plan at any time.

Within thirty (30) days of the Contract Execution Date, the Successful Bidder shall develop and submit to MBL, a Site specific response on how it will incorporate MBL's Community Relations Management Plan in its Work under the Contract, for confirmation and ratification by MBL.

Such response by the Successful Bidder to MBL's Community Relations Management Plan shall address, but not be limited to, the following requirements:

1. Restrict mining operations to the Mining Tenements as per requirement
2. Comply with any requirements of the conditions of grant in respect of the Mining Tenements in the conduct of mining operations;
3. Assist in maintaining security of the site by only using dedicated entry and exit points;
4. Not make any break in fences without ensuring that MBL is notified and approves that adequate secured gates are installed forthwith;
5. Use reasonable endeavours to avoid any damage to surrounding property or improvements thereon and make good any such damage occurring to the same outside the areas of the Mining Tenements;
6. Use reasonable endeavours not to cause a nuisance or annoyance to any bona fide neighbour;
7. Not cause any unnecessary interference to game or farming operations conducted outside the area of the Mining Tenements; and
8. Not bring or encourage pets (particularly dogs and cats) or firearms within the Mining Tenements.

The Successful Bidder is encouraged to:

1. Hire persons from the local region
2. Train and improve the skills of local unskilled employees
3. Provide apprenticeships, traineeships or similar industrial training and/or educational assistance to persons within the local community.
4. Take an active role, where reasonable, in developing business opportunities within the local community.
5. Purchase items from the local region
6. Encourage further development of services from the local region

## **1.20 ENVIRONMENTAL MANAGEMENT**

### **1.20.1 Environmental Management Plan**

The Successful Bidder is responsible at all times for the due and proper conduct in relation to protecting the environment in respect of Work under the Contract.

The Successful Bidder is required to outline the basis of its proposed Environmental Management. Within thirty (30) days of the Contract Execution Date, the Successful Bidder shall submit to MBL a Site Specific Environmental Management Plan for confirmation and ratification by MBL. This process shall at all times be the responsibility of the Successful Bidder but MBL shall at all times be kept informed of developments.

The Successful Bidder will ensure that all of its Personnel are made aware of their duties and responsibilities as outlined in the Site Environmental Management Plan.

Ameliorative measures to rectify breaches with the environmental statutory requirements, Site conditions or Site policies by the Successful Bidder's sub-contractors and associates will be at the Successful Bidder's expense. The Successful Bidder must ensure, where applicable, that sub-contractors and associates fulfill all inspection, auditing and reporting functions required. The Successful Bidder will maintain records to demonstrate compliance with this requirement.

MBL's representative may direct the Successful Bidder to amend or revise the Successful Bidders Site Environmental Management Plan from time to time. The Successful Bidder shall submit all proposed amendments or revisions of the Successful Bidders Site Environmental Management Plan (whether directed by Successful Bidder Representative or otherwise) for approval by MBL's Representative.

In connection with the submission of any amendments or revisions of the Successful Bidder's Site Environmental Management Plan:

1. If so directed by MBL's Representative, the Successful Bidder shall provide additional information;
2. If MBL's Representative rejects part or all of a submission, the Successful Bidder shall, within 7 days, submit an amended or new plan; and
3. Once MBL's Representative notifies the Successful Bidder of the approval of a proposed plan or of a revision or amendment, it shall become the Successful Bidders Site Environmental Management Plan and the changes will be effective immediately.

The Successful Bidder shall attend regular meetings with and report to MBL's Representative on its implementation of and compliance with the Successful Bidder's Site Environmental Management Plan.

#### **1.20.2 Equipment**

The Successful Bidder shall ensure that all equipment is restricted to established roads and working places at all times. No equipment will be driven or operated on undisturbed ground except in the case of land clearing for which approval is to be obtained.

#### **1.20.3 Ground Disturbance**

MBL is committed to the principle that all operations will be carried out with minimum practical disturbance to the existing vegetation and natural landform. It is the responsibility of the Successful Bidder to obtain necessary licenses prior to undertaking any clearing activities.

#### **1.20.4 Storage of Hydrocarbons**

All hydrocarbon containers will be stored in bounded areas according to MBL's Environmental policies, Law, license conditions, regulations and industry good practice.

All 200 liter capacity drums will be stored within one of the following:

1. A compacted earthen floor and bund with a spillage capacity of at least 20% of the total hydrocarbon stored within the bund. If suitable compaction cannot be attained the bund will require lining with HDPE
2. A concrete floor and bund with a spill holding capacity of 20% of the total hydrocarbon stored in the drums
3. A concrete floor within a workshop with the floor bounded on three sides and the fourth open to enable any spillage to enter the drainage system and ultimately be retained by the waste oil collection system.
4. A concrete floor within a workshop with perimeter drainage installed to direct any spillage to the waste oil separation and collection system.

In addition, in all cases:

1. All drums stored vertically will be held individually or as groups on steel or plastic grates over drip or spillage trays with a capacity to hold 220 liters (1.1 times the capacity of a drum)
2. All drums stored horizontally will be located on suitable holding tables over a steel or plastic drip tray with a capacity of 220 liters
3. Each row of horizontal drums will have a sand drip tray under each row of outlet (supply) valves.

All drums with capacity less than 200 liters are required to be stored on steel or plastic grates or shelving located over a concrete floor either bounded with a storage capacity of 20% of the total volume of stored materials, or unbounded with drainage to an approved oil separator and storage tank.

#### **1.20.5 Collection and Disposal of Waste Oil**

The Successful Bidder is responsible to arrange for all his waste oils to be stored, retained and collected for recycling as per the environmental policies and procedures of MBL. Wherever possible, waste sump and other oils are to be placed directly into waste oil tanks rather than mixed with water. At no stage is waste oil to be stored in open 200 liter drums. Waste oil is to be transported off Site for recycling or re-use, using an approved transport company.

#### **1.20.6 Collection and Disposal of Waste Grease and Disposable Filters**

The Successful Bidder is responsible to arrange for all his waste grease and disposable filters to be collected in sealable 200 liter drums. Waste grease and disposable filters must be transported offsite for recycling or re-use, using an approved transport company.

All sealable 200 liter drums containing the waste grease and disposable filters will be stored in bounded areas according to the environmental policies and procedures of MBL, Law, statutory requirements, license conditions, regulations and industry good practice.

#### **1.20.7 Disposal of Tyres**

The Successful Bidder is encouraged to consider negotiating a tyre supply Contract that includes collection and return of used tyres to the supplier / manufacturer. MBL's environmental approvals do not allow for disposal of tyres on Site, even within contained Waste Dumps.

The Successful Bidder must report to MBL on a quarterly basis method of disposal and the number of tyres disposed of during that period. The Successful Bidder must regularly liaise with MBL to determine suitable alternative disposal methods.

### **1.20.8 Disposal of Batteries**

The Successful Bidder is encouraged to consider negotiating a battery supply contract that includes collection and return of used batteries to the supplier / manufacturer. MBL's environmental approvals do not allow for disposal of batteries on site, even within contained Waste Dumps.

The Successful Bidder must report to MBL on an annual basis the method of disposal and the number of batteries disposed of during that period. The Successful Bidder must regularly liaise with MBL to determine suitable alternative disposal methods.

### **1.20.9 Recycling Policy**

The Successful Bidder shall comply with MBL's policy of recycling dry waste. At all-time the Successful Bidder must attempt to maximise the recycling of suitable wastes including but limited to the following items;

1. Paper and cardboard, and
2. Wood, glass, plastic, PVC, HDPE.

### **1.20.10 Domestic Rubbish Tip**

The capacity of domestic rubbish disposal is limited on the Site and the Successful Bidder is not encouraged to use this facility except for rubbish that cannot otherwise be disposed of or recycled.

The following materials are suitable for disposal in landfill at the Site:

1. Kitchen and household (domestic) solid wastes.
2. Office wastes that cannot be recycled, including food scraps.
3. Inert building rubbish (including concrete may be placed within a waste dump and buried).
4. Clean fill from building or associated excavations (may be placed within a waste dump and buried).

The following materials are not to be disposed in landfill at the Site:

1. Oil, grease or fuel of any type
2. Oil filters or oily rags
3. Chemicals
4. Medical wastes
5. Metal scrap, conveyor belting, rubber
6. Batteries
7. Tyres

### **1.20.11 Environmental Incidents**

All environmental incidents, whether large or small, must be reported to MBL. An “environmental incident” is an action that causes infringement of any of the approved standards of operation and agreed environmental control measures. These may include but not be limited to the following:

1. Harm or potential harm to vegetation, soil structure, groundwater, atmosphere, surface water or fauna;
2. Generation of excessive dust;
3. Generation of excessive noise;
4. Excessive air over pressure caused by blasting
5. Excessive ground vibration caused by blasting
6. Any release of contaminated waste, hydrocarbon, or chemical;

Any release of water containing sediment levels or chemistry in excess of approved limit.

# **MINAS DE BENGA, LDA (MBL)**

TETE, MOZAMBIQUE

Tender No: TE089/2016

Volume 3 of 4

## **GENERAL CONDITIONS**

**FOR**

**COAL MINING OPERATION SERVICES**

**AT THE BENGA MINE**

Dated: 04<sup>th</sup> of May 2017

Last date of Bid Submission: 9<sup>th</sup> of June 2017

## TABLE OF CONTENTS

<b>A. CORE GENERAL CONDITIONS .....</b>	<b>4</b>
1. INTERPRETATION .....	4
2. REPRESENTATIVES .....	12
3. CONTRACTOR'S OBLIGATIONS .....	12
4. ASSIGNMENT AND SUB-CONTRACTING .....	12
5. INFORMATION PROVIDED BY THE COMPANY .....	13
6. EXTENSIONS OF TIME .....	13
7. VARIATIONS .....	13
8. PUBLICITY .....	15
9. CONFIDENTIAL INFORMATION .....	15
10. PAYMENT .....	16
11. TAXES .....	18
12. TERMINATION AND DEFAULT .....	20
13. DISPUTE RESOLUTION .....	22
14. ACCOUNTS AND RECORDS .....	24
15. NOTICES .....	24
16. CONFLICTS OF INTEREST .....	25
17. BUSINESS INTEGRITY .....	26
18. LIABILITY .....	27
19. INDEMNITY .....	28
20. GOVERNING LAW AND LANGUAGE .....	29
21. THIRD PARTY RIGHTS .....	29
22. WAIVER .....	29
23. ENTIRE AGREEMENT .....	30
24. SEVERANCE .....	30
25. NUMBER OF ORIGINALS .....	30
<b>B. SERVICES GENERAL CONDITIONS .....</b>	<b>30</b>
26. CONTRACTOR STATUS .....	30
27. SERVICES .....	30
28. CONTRACTOR'S PERSONNEL .....	31
29. SUSPENSION OF SERVICES .....	31
30. CONSEQUENCES OF TERMINATION .....	33
31. LOCAL SUPPLIERS .....	35
32. INSURANCE .....	36



<b>C. SITE PROVISIONS .....</b>	<b>38</b>
33. SITE .....	38
34. OTHERS ON SITE .....	38
35. HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY .....	39
<b>D. GOODS .....</b>	<b>39</b>
36. GOODS/EQUIPMENTS .....	39
<b>FORMAT OF FORM OF AGREEMENT .....</b>	<b>40</b>
<b>FORMAT OF SCHEDULE A .....</b>	<b>44</b>

## A. CORE GENERAL CONDITIONS

### 1. INTERPRETATION

1.1. In this Contract, unless the contrary intention appears:

**"Affiliated Entity"** means, in relation to a Party, a subsidiary or a holding company or any other subsidiary of that holding company. A company is a "subsidiary" of another company, its "holding company", if that other company:

- (a) Holds a majority of the voting rights in it, or
- (b) Is a member or shareholder of it and has the right to appoint or remove majority of its board of directors, or
- (c) Is a member of shareholder of it and controls alone, pursuant to an agreement with other members or shareholders, a majority of the voting rights in it, or
- (d) If it is a subsidiary of a company that is itself a subsidiary of that other company.

**"Civil Code"** means the Civil Code approved by Decree Law 47.344 and in force in the Republic of Mozambique, as amended, re-enacted or substituted from time to time.

**"Civil Procedure Code"** means the Civil Procedure Code approved by Decree Law 44.129 and in force in the Republic of Mozambique, as may be amended, re-enacted or substituted from time to time.

**"Claim"** means any judicial or extra-judicial action, suit, proceeding or demand of any kind (including by or against any or all of the Company, the Contractor Personnel or any third party).

**"Commencement Date"** or **"Contract Execution Date"** means the date on which the Agreement is signed between MBL and the Successful Bidder or LOI (Letter of Intent) is issued to the successful bidder, whichever is earlier.

**"Communications"** means all notices, notifications, invoices, certificates, approvals, appointments of representatives, consents, statements, reports, authorisations, ratifications, delegations, Claims and other communications (other than day to day communications).

**"Company"** has the meaning given in the Form of Agreement and includes its successors and assigns.

**"Company Representative"** means the Person identified as such in the Form of Agreement, as replaced in accordance with Sub-clause 2.2.

"**Company Rules**" means the Company's rules, requirements, policies and standards as obtainable from the Company, including but not limited to the HSEC Requirements.

"**Completion Date**" means the relevant date provided for completion of the Services as set out in the Form of Agreement and as amended pursuant to Clause 6 or 7.

"**Contract**" or "**Agreement**" has the meaning given in Sub-clause 1.3.

"**Contract IP**" means all Intellectual Property Rights (present or future) created, discovered or coming into existence in connection with the performance of the Contract (including all Intellectual Property Rights in anything developed by the Contractor or its Personnel in performance of the Contract and any Intellectual Property Rights in the Documentation).

"**Contract Price**" means the sums payable to the Contractor for the performance of the Services in accordance with the Form of Agreement and Schedule A (if any), as varied in accordance with the Contract.

"**Contract Objectives**" means the objectives for which the Contract is executed, as may be described in the Contract Specification.

"**Contract Specification**" means the specification referenced in the Form of Agreement and any modification thereto in accordance with the Contract.

"**Contractor**" means the Person referred to as the Contractor in the Form of Agreement and its successors and permitted assigns.

"**Contractor IP**" means the Contractor's Intellectual Property Rights which are incorporated in anything supplied under the Contract and which:

- (a) are in existence at the Commencement Date, or
- (b) come into existence after the Commencement Date otherwise than in connection with the Contract.

"**Contractor's Insurance Policies**" means any insurance policy the Contractor is required to maintain under terms of the Contract.

"**Contractor Representative**" means the Person identified as such in the Form of Agreement, as replaced in accordance with Sub-clause 2.2.

"**Correct Invoice**" means an invoice which satisfies the requirements of Sub-clause 10.3 and the requirements of the Law applicable from time to time.

"**Country**" means the country in which the Site is located, as identified in the Form of Agreement.

"**Customs Duties**" means any Tax or tariff imposed, claimed, levied or assessed by, or payable to, any Government Agency in relation to the import or export of Goods, and includes any bond or guarantee imposed by any Government Agency in lieu of such Tax or tariff.

"**Day**" means a calendar day unless otherwise stated.

"**Default Notice**" means a written notice specifying the default alleged and requiring the other Party to remedy the default.

"**Direction**" means any decision, demand, determination, direction, instruction, order, request or requirement of the Company Representative made to the Contractor under the Contract.

"**Dispute**" means any dispute, conflict, question or difference of opinion between the Parties concerning or arising out of or in connection with the Contract.

"**Documentation**" means, but is not limited to, documentation, plans, designs, Drawings, calculations, engineering information, data, specifications, sketches, notes, samples, reports, maps, accounts, operating manuals, training materials and any other material specified in the Contract (and whether embodied in tangible or electronic form).

"**Drawings**" means the drawings required for the performance of the Services and includes drawings as may be supplied to the Contractor by the Company Representative.

"**EFT**" means electronic funds transfer.

"**Form of Agreement**" means the form evidencing the Contract between the parties in respect of the Services.

"**General Conditions**" means the General Conditions of the Services Contract.

"**Goods**" or "**Equipment**" means the materials, supplies, plant, equipment, spare parts and other things intended to form or forming part of the Services.

"**Government Agency**" means any public administration's body which undertakes administrative functions (including State bodies, at a national, state, provincial, district, regional or local level, bodies of local municipal administration and bodies of public institutes, public companies and para-state companies, public associations and public foundations when undertaking administrative functions), concessionaires of State assets when using their authority powers, Courts, Bank of Mozambique and Constitutional Council.

"**HSEC**" means health, safety, environment and community.

**"HSEC Requirements"** means the Company's health, safety, environmental and community related requirements, requisites, systems, standards, policies, plans, rules and procedures, including those set out in Appendix C.

**"ICC Arbitration Rules"** means the Rules of Arbitration of the International Chamber of Commerce.

**"Indirect Transaction Taxes"** means any value added Tax, goods and services Tax or similar Tax including, without limit, sales, use or specific consumption Taxes, imposed, claimed, levied or assessed by, or payable to, any Government Agency, but does not include any related penalty, fine or interest thereon.

**"Insolvency Event"** means the Contractor:

- (a) stops or suspends, or threatens to stop or suspend, payment of all or a class of its debts;
- (b) becomes insolvent or bankrupt within the meaning of the Civil Procedure Code or other applicable Law;
- (c) is placed under judicial or administrative management or carries on its business under a receiver, trustee, administrator, liquidator, provisional liquidator or director for the benefit of its creditors or any of them, or any step preliminary to the appointment of a receiver, trustee, administrator, liquidator, provisional liquidator or provisional administrator is taken;
- (d) if it is a company, is wound up (not being a members' voluntary winding up for the purpose of amalgamation or reconstruction);
- (e) has an application or order made, proceedings commenced, a resolution passed or proposed in a notice of meeting, an application to a court made or other steps taken against or in respect of it for its winding up or dissolution or for it to enter into an arrangement, compromise or composition with or assignment for the benefit of its creditors, or class of them or any of them;
- (f) if it is a partnership, ceases to have all the partners comprising the partnership as at the date of the Contract; or
- (g) if it is an individual, commits an act of bankruptcy or makes a compromise or composition with or assignment of his property in favour of creditors; or
- (h) suffers any event analogous to the events set out in paragraphs (a) – (g) above in any jurisdiction where it is incorporated or resident.

**"Intellectual Property Right"** means all industrial and intellectual property rights whether protectable by statute, by the Paris Convention for the Protection of Industrial Property Rights of March 20<sup>th</sup> 1883 (with all amendments thereto), by use and custom, at common law or in equity, including all copyright, industrial property rights, and similar or related rights which may subsist in works or any subject matter, rights in relation to inventions (including all patents and patent applications), trade secrets and know-how, rights in relation to designs (whether or not registerable), rights in relation to registered or unregistered trademarks, circuit layout designs and rights in relation to circuit layouts.

**"Law"** means any rule issued by a Government Agency, including without limitation, law, decree-law, order, resolutions, notices, Court rules and judgements and any other Court decisions which are binding, treaties and international agreements, any subordinate legislation or other document enforceable under any law, statute, regulation, rule or subordinate legislation at a district, provincial or national level, and includes the modification or re-enactment of it, which affects or is applicable to the Services and/or relates to a Party's rights and obligations under the Contract.

**"Liabilities"** means damages, Claims, demands, losses, liabilities, liquidated sums, charges, costs and expenses of any kind.

**"Nominated Currency"** means the currency specified in the Form of Agreement.

**"Official"** means:

- (a) any officer or employee of any Government Agency, or any person acting in an official capacity on behalf of any such Government Agency;
- (b) any officer, employee or official of a political party;
- (c) any candidate for political office; or
- (d) any officer or employee of a public international organization (for example, the United Nations, IMF or World Bank)

**"Party"** means a party to the Contract.

**"Person"** means a firm or body corporate or unincorporated, a collective person, as well as a natural person.

**"Personnel"** or **"Manpower"** means:

- (a) in relation to the Contractor, any and all of its employees, Sub-contractors (including Sub-contractors' employees), agents and representatives involved either directly or indirectly in the performance of the Contract;
- (b) in relation to the Company, employees, agents or representatives; and
- (c) in relation to a Sub-contractor, any of its employees, agents or representatives involved either directly or indirectly in the performance of the Sub-contract.

**"Project"** has the meaning given in the Form of Agreement.

**"Representatives"** means the Company Representative and the Contractor Representative identified in the Form of Agreement, and "Representative" means either of them as the context requires.

**"Services"** or **"Work"** means all things to be performed by the Contractor in accordance with the Contract including but not limited to all things required by the Contract Specification and/or Scope of Work (as may be amended or varied in accordance with the Contract) and any ancillary works, Goods or services that can

reasonably be expected to be provided in conjunction with services described in the Contract Specification and/or Scope of Work.

**"Site"** means the Benga mine, located at the Benga locality, Moatize District, Tete Province, Mozambique.

**"Special Conditions"** or **"Scope of Work"** means the Special Conditions of Contract or Scope of Work, which are incorporated into this Contract and which add to the clauses of these General Conditions.

**"Standards"** means international standards and codes of practice or other applicable standards and codes of practice expressly specified in the Contract Specification.

**"Sub-contract"** means any agreement, arrangement or understanding between the Contractor and any Person, whether or not in writing, to perform all or any part of the Services on behalf of the Contractor.

**"Sub-contractor"** means any Person engaged by the Contractor to perform all or any portion of the Contractor's obligations under the Contract on behalf of the Contractor, and, where context requires, includes also the Sub-contractor's employees, agents, consultants and invitees.

**"Tax"** means, unless the contrary intention is expressed, any and all taxes, including, without limitation, Indirect Transaction Taxes, excise duty, stamp, customs, import/export, payroll, personal income, property, real property, municipal property tax, interest equalisation, business, occupation, and industry, turnover, income, profits, gains, gross receipts, corporation income, inheritance and donations taxes, immovable asset transfer tax, specific gaming tax, national reconstruction tax, motor vehicle tax, fuel tax, municipal taxes of any nature, notarial fees, or other taxes, fees, withholdings, imposts, levies, duties or other charges of any nature, together with any penalties, fines or interest or similar additions, imposed, levied or assessed by any Government Agency or otherwise payable.

**"Tax Benefit"** means, individually or collectively, the fiscal benefits to which the Company may be entitled to under the terms of the applicable Law or as mineral title holder, including but not limited to those which are granted to the Company by the Government of Mozambique, in respect of exploration, mine development and construction and mining operations, including an exemption from or reduction of Customs Duties, Indirect Transaction Taxes and certain other Taxes on permanent imports into and exports to outside of Mozambican customs territory, subject to the terms of the applicable Law.

**"Tax Invoice"** means an invoice or other equivalent document, including without limit, credit note or debit note or sale note, in a form that is valid under the applicable Law of the jurisdiction in which a liability to pay Indirect Transaction Taxes or any other Tax is imposed, claimed, levied or assessed, and which serves as an accountancy document for the Company.

**"Tax Laws"** means all of the Laws, rules, treaties, conventions, requirements and procedures of the relevant jurisdiction where Tax and Indirect Transaction Taxes are imposed, claimed, levied or assessed.

**"Term"** means the period commencing on the Commencement Date and ending on the earlier of:

- (a) the date that all Services are completed in accordance with the Contract; or
- (b) the date the Contract is terminated pursuant to the Contract or otherwise at Law.

**"Trade Warranties"** means the trade warranties, including warranties against defects and warranties of fitness for purpose, provided by the Sub-contractors and specified in the Form of Agreement, and any and all usual and customary trade warranties from the Sub-contractors.

**"UNCITRAL Arbitration Rules"** means the Arbitration Rules of the United Nations Commission on International Trade Law in force at the date of this Contract.

**"Variation"** means a direction by the Company to alter, amend, omit, reduce or add to any part or parts of the Services, tasks, materials, Goods or personnel to be provided or performed by the Contractor, to reduce or increase the quantity of Services, or to change any specified Standards, dimensions, quality of materials, method, specified sequence or timing of the Services.

**"Variation Notice"** means a formal written document of Variation to be signed by the Company and the Contractor stating the Variation to the Services directed by the Company Representative and the adjustments (if any) in the Contract Price and/or the Completion Dates.

**"Working Day"** means any day which is not a Saturday, a Sunday or a national public holiday in the Country or a public holiday at the Site.

1.2. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) The meaning of general words is not limited by specific examples introduced by including or for example.
- (e) A reference to a Person or a Party includes a reference to that Person's or Party's executors, administrators, successors, substitutes (including Persons taking by way of novation), assigns (in the case of a Person) and permitted assigns (in the case of a Party).

- (f) A reference to a Clause or Schedule is a reference to a clause of, or schedule to, these General Conditions.
- (g) A reference to a Law includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (h) A reference to "use" in the context of dealing with Intellectual Property Rights includes using, exploiting, copying, adapting, creating derivate works, developing, modifying, disclosing and communications.
- (i) A reference to days (other than a reference to Working Days), months, or years, shall be a reference to calendar days, months or years, as the case may be.
- (j) Unless otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a Working Day, the next succeeding Working Day.
- (k) All references to monetary amounts shall be amounts in the currency referred to in the Form of Agreement unless expressly stated otherwise.
- (l) Nothing in this Contract is to be interpreted against a Party on the ground that the Party put forward the Contract or the relevant part of it.

1.3. The Contract consists of the following documents only:

- (a) the "Form of Agreement" and all documents attached to the Form of Agreement or incorporated in the Form of Agreement;
- (b) the "General Conditions";
- (c) the "Special Conditions" or "Scope of Work";
- (d) the "Specification", and
- (e) the "Document" containing the conditions of Tender, as defined in the tender documents, collectively referred to as the "**Contract**".

1.4. The Contractor shall have no entitlement to make any claim for any extension of time or any increase to the Contract Price or any other compensation of any kind for any event (including conduct by or negligence of the Company) except as expressly provided for under this Contract.

1.5. Without prejudice to any express provisions of this Contract to the contrary, the obligations of either Party are to be performed at that Party's own cost and expense.

## **2. REPRESENTATIVES**

- 2.1. Each Party's Representative shall have full authority to act on that Party's behalf for all purposes of this Contract, except authority to amend this Contract.
- 2.2. Representatives may be replaced on giving written notice to the other Party.

## **3. CONTRACTOR'S OBLIGATIONS**

- 3.1. The Contractor shall comply with all of its obligations under this Contract including any requirements set out in the Schedules, Appendices, Annexures and other Contract documents.
- 3.2. Save for where it is expressly stated in this Contract that something will be provided by the Company, the Contractor shall provide everything necessary for the proper performance of the Contract.
- 3.3. The Contractor shall comply and ensure that each of its Personnel comply with the following where applicable:
  - (a) all Laws and Government Agency requirements;
  - (b) all customs and practices of any countries to be visited for the purposes of the performance of the Contract;
  - (c) the Company Rules;
  - (d) the HSEC Requirements;
  - (e) the Directions of the Company Representative or a Person appointed by the Company Representative;
  - (f) all applicable Standards; and
  - (g) all permits, authorizations, approvals and licenses.
- 3.4. The Contractor shall obtain and maintain all permits, licenses, registrations and approvals related to the performance of this Contract and shall give all notices required to be obtained or given by Law or any Government Agency for the performance of the Contract, and will be responsible for any penalties, fines, charges or other levies or costs that may arise if such licenses or permits are not obtained or maintained.
- 3.5. The Contractor shall supply all Personnel necessary for the proper performance of the Contract. Such Personnel must be appropriately qualified, competent, experienced and skilled to perform the works or services in respect of which they are engaged.

## **4. ASSIGNMENT AND SUB-CONTRACTING**

- 4.1. The Company may assign the Contract or propose that it be substituted by novation, on giving prior written notice to the Contractor. By signing this Contract the Contractor is deemed to consent to any such assignment of the Contract in terms of article 424.2 of the Civil Code.
- 4.2. The Contractor shall not assign or novate the Contract or any part thereof except with the prior written consent of the Company. The Company may, in the Company's absolute discretion, refuse to consent or approve without giving reasons or may give that consent or approval on whatever terms and conditions the Company may think appropriate.
- 4.3. The Contractor shall not Sub-contract the performance of the Contract or any part thereof without the prior written consent of the Company (not to be unreasonably withheld).
- 4.4. No Sub-contract or assignment (whether with or without the consent of the Company) shall in any way relieve the Contractor from responsibility for the performance of the Contract.

## **5. INFORMATION PROVIDED BY THE COMPANY**

Unless the Company Representative notifies the Contractor otherwise in writing, information provided by or on behalf of the Company or the Company Representative is not guaranteed as to accuracy, sufficiency or completeness and may not be relied upon by the Contractor.

## **6. EXTENSIONS OF TIME**

- 6.1. The Company Representative may extend the Completion Date for any reason in its absolute discretion where the Company so authorizes
- 6.2. The Company Representative shall alter the Completion Date to accommodate a Variation in accordance with Clause 7 or to reflect any delay in the performance of the Contract caused by a breach of this Contract by the Company.

## **7. VARIATIONS**

The Company Representative may notify the Contractor in writing to perform a Variation or the Contractor may propose in writing a Variation for the approval in writing by the Company Representative. The Contractor shall comply with a Variation notified in writing and shall be bound by the conditions of that Variation as though the Variation was included in the Contract.

### **7.1 Cost of Variation**

- (a) To the extent that the rates in the Form of Agreement or Schedule A apply, they shall be used by the Contractor to calculate the cost of a Variation, but otherwise the cost of a Variation shall be estimated by the Contractor at the lowest reasonable and direct cost consistent with sound practices and such cost of a Variation shall be subject to approval by the Company.
- (b) The Contractor shall not be entitled to claim or receive any remuneration or compensation in connection with the Variation other than as specified in the preceding Sub-clause (a).

### **7.2 Variation procedure**

- (a) As soon as possible, but in any event, within 7 Working Days of the date on which:
  - i. a Variation is notified by the Company Representative; or
  - ii. the Company Representative makes a request for the Contractor to provide information about a proposed Variation,the Contractor shall submit to the Company Representative a statement advising of its opinion of the impact of the Variation on the Contract Price, the Completion Date and/or the operations of the Company (if any).
- (b) If the statement required from the Contractor by Sub-clause 7.3(a) is submitted later than the relevant time limit, any claims submitted in connection with the relevant Variation may, at the sole discretion of the Company Representative, be time barred.
- (c) If the Company Representative approves the Contractor's statement submitted under Sub-clause 7.3(a), the Company Representative shall prepare a Variation Notice. The Variation Notice shall accord with the Contractor's statement as approved by the Company Representative and shall be binding on the Parties.
- (d) If the Company Representative does not approve the Contractor's statement submitted under Sub-clause 7.3(a) and the Company Representative and the Contractor are unable to agree upon the impact of the Variation on the Contract Price and/or the Completion Date, then such impact shall be determined by the Company Representative who shall prepare a Variation Notice.

- (e) If the Contractor does not agree with the Variation Notice then the matter shall be deemed to be in Dispute and shall be resolved in accordance with the provisions of Clause 13. Any disagreement or Dispute hereunder shall in no way relieve the Contractor of its obligation to comply with any Variation Notice.

## 8. PUBLICITY

Except as required by Law or regulatory requirement or as otherwise permitted by the Contract, the Contractor may not make, and must ensure that each of its Personnel does not make, any public announcements or disclosures or place any advertisements in relation to the Contract or the Project, without the prior written consent of the Company.

## 9. CONFIDENTIAL INFORMATION

- 9.1. The Contractor must not and must ensure that each of its Personnel does not, without the express prior written consent of the Company, use (other than as is necessary for the good performance of the Contract) or divulge to third parties, any information relating to the Contract, the Project, or the Company or an End User.
- 9.2. Sub-clause 9.1 does not prevent the Contractor from using and disclosing information which:
- (a) at the time of the first disclosure by the Company was already in the lawful possession of the Contractor in written form;
  - (b) is or becomes generally available to the public otherwise than by disclosure in breach of the terms of this Contract; or
  - (c) becomes available to the Contractor from a third person legally entitled to possess the information and provide it to the Contractor, if the use or disclosure accords with the right or permission legally granted to the Contractor by that third person.
- 9.3. Sub-clause 9.1 does not prevent the Contractor from disclosing information if such disclosure is required by Law.
- 9.4. The Contractor acknowledges that this Clause 9 is for the benefit of the Company that has an interest in any information that is the subject of this Clause.
- 9.5. **Contractor IP**
- The Contractor grants to the Company a non-exclusive, transferable, royalty free, irrevocable and perpetual license to use and sub-license all Contractor IP for the purposes of or in connection with the business or the Project.

**9.6. Contract IP**

The Contractor agrees that all Contract IP is vested in the Company and is the Company's property as and when created and the Contractor assigns and must ensure that all of its Personnel assign all their respective right, title and interest in and to the Contract IP to the Company.

**9.7. Contractor warranty**

The Contractor warrants that:

- (a) the Contractor has the right to grant to the Company the license under Sub-clause 9.5 ; and
- (b) the Contractor has the right to assign all Contract IP to the Company in accordance with Sub-clause 9.6.

**10. PAYMENT**

**10.1. Contract Price**

- (a) In consideration for the good performance of the Contract, the Company shall pay to the Contractor the Contract Price.
- (b) The Contract Price is inclusive, without limitation, of all expenses and costs incurred by the Contractor in performing the Contract. The Company shall not bear or reimburse any such expenses and costs except as expressly specified in Schedule A.

**10.2. Payment Method and Conditions**

- (a) Unless otherwise agreed by the Company and Contractor, all payments to the Contractor shall be made by cheque or by EFT to a bank account nominated by the Contractor, in the Nominated Currency specified in the Form of Agreement.
- (b) The Contractor shall give 21 Working Days prior notice of any change to the Contractor's banking details.
- (c) If the Contract provides that any amounts are to be paid to the Contractor:

- i. Outside the Republic of Mozambique or
- ii. In a manner subject to control by any Government Agency,

payment is conditional upon the Company receiving the necessary authorisation, approval, registration and consents required for the making of

that payment, which may include but is not limited to, approval by or registration with a Government Agency or as required by applicable Law and proof of payment or exemption from any applicable tax as further detailed in Clause 11. The Contractor shall provide all documentation, support and assistance necessary or requested by the Company, the competent Government Agency for the purposes of obtaining such authorisation, approval, registration and/or consent.

### 10.3. Invoices

- (a) The Contractor shall submit a Correct Invoice for amounts due under the Contract.
- (b) Correct Invoices shall be issued and delivered to the Company's address no later than the fifth (5th) day following the end of the period to which the Services refer to. Except as otherwise agreed between the Parties, the Services shall refer to a full calendar month.
- (c) Invoices must comply with the requirements for a valid Tax Invoice, must be in terms and in a form acceptable to the Company, and must contain the following information:
  - i. the number of the Contract to which the invoice relates,
  - ii. a full description of the Services provided in the period covered by the invoice;
  - iii. details of the place where the Services were carried out;
  - iv. any further verification or documentation in relation to the invoice as is reasonably required by the Company, including evidence of reimbursable costs claimed;
  - v. the correct calculation of all amounts due to be paid, including Indirect Transaction Taxes and retention amounts where applicable; and
  - vi. any further information stipulated in any applicable Laws (including any information necessary to make the invoice a Tax Invoice), or by the Company.

### 10.4. Payment Terms

The Company shall make payment to the Contractor of all undisputed amounts within 30 (thirty) Working Days following the last Day of the month in which the Correct Invoice is received by the Company. The Company may withhold/recover any amounts, including but not limited to disputed amounts, penalty amounts, etc. and necessary information shall be given to the Contractor.

#### 10.5. **Deductions and Set-off**

- (a) The Company may deduct from any money due or becoming due to the Contractor all debts and moneys due or becoming due by the Contractor to the Company and any Taxes which the Company may be required by Law to deduct.
- (b) If the Company fails to deduct an amount referred to in Sub-clause 10.5(a), the Company may claim payment for that amount and the Contractor must pay that amount to the Company within 5 (five) Working Days of receiving notice of the claim.

### 11. **TAXES**

11.1. Unless expressly specified otherwise, all amounts payable under or in connection with this Contract, (including any amount by way of reimbursement, indemnity, damages or otherwise) are inclusive of Taxes.

#### 11.2. **Withholding Taxes**

The Contractor is responsible for its own Taxes, irrespective of the jurisdiction in which such Taxes are assessed or imposed. If the Company is required by any Law to make a deduction or withholding from any payment to the Contractor for or on account of any Taxes, the Company is entitled to make that deduction or withholding unless the Contractor provides the Company with valid documentation (received prior to the date when the payment is to be made) showing to the satisfaction of the Company that an exemption or reduction applies.

#### 11.3. **Temporary Imports**

Where Contractor's Goods are imported into Mozambican customs territory under a temporary import regime for the purposes of the Contract, the Contractor is responsible for compliance with all applicable Law and procedures and the terms and conditions of any temporary import permit issued by the relevant Government Agency, including the payment of any clearance fees, provision of any required security or bond, as well as for re-exportation of such Goods. Any Taxes, fines or related charges arising from the non-compliance by the Contractor of the required temporary importation procedures shall be for the Contractor's sole account.

#### 11.4. **Permanent Imports**

- (a) The Contractor shall comply strictly with the legal, customs, transit, fiscal and other procedures and requirements applicable in accordance with the applicable Law. In the event that any Tax Benefit applies to the import of any goods, any duty, tax or other charge payable as a result of the Contractor's failure to comply

with the procedures and requirements that are conditions for the application of the Tax Benefit shall be solely for the account of the Contractor.

- (b) The Contractor shall make any application for any Tax Benefit or other exemptions, reductions or rebates requested by the Company. Where any such application is successful, the Contractor will pass on to the Company the full economic benefit of the exemption, reduction or rebate, as the case may be.
- (c) If the Company deems that any Taxes or charges have been inappropriately levied or that an exemption, reduction or rebate of Taxes or other charges applies, the Company may, by written notice to the Contractor, require the Contractor to contest payment of such Taxes or charges subject to the direction of the Company. Where any such contest is successful, the Contractor will pass on to the Company the full economic benefit of the exemption, reduction or rebate, as the case may be.

#### **11.5. Liability in case of non-compliance**

Without prejudice to any other provision in this Contract in terms of which the Contractor is responsible for payment of Taxes and charges on imports of Goods into Mozambican customs territory, failure by the Contractor to comply with any of the conditions and requirements of Sub-clauses 11.3 and 11.4, or to follow the applicable procedure, shall result in the Contractor being solely liable for all Taxes, fines, penalties or other charges (the payment of which would otherwise be exempt, reduced or rebated) applied to the import of Goods and other transactions as a result of the failure to comply and, if initially paid for by the Company, may be deducted from any payment of the Contract Price.

#### **11.6. Indirect Transaction Taxes**

- (a) In this Sub-clause 11.6, supply shall have the meaning given to it in Sub-clause 11.6(b).
- (b) If Indirect Transaction Taxes are payable on a supply, transfer or sale (supply) made under or in connection with this Contract, and if the Contractor making that supply is liable, under the applicable Law, to pay, or collect and remit, the Indirect Transaction Taxes to the appropriate Government Agency, the Company receiving that supply shall pay to the Contractor an additional amount equal to the Indirect Transaction Taxes payable by the Contractor in respect of the supply. The recipient Company must pay the additional amount to the Contractor on the date when payment for the supply is made (or part thereof), subject to a Tax Invoice being received prior to payment date. This Sub-clause 11.6(b) does not apply to the extent that the consideration for the supply is expressed to be inclusive of Indirect Transaction Taxes.
- (c) The Contractor shall ensure that each invoice it presents to the Company in respect of any Indirect Transaction Taxes is a Tax Invoice. If the Contractor fails

to provide the Company with a Tax Invoice within the time period required by applicable Law of the relevant jurisdiction, the Company may withhold payment of the amount payable on account of Indirect Transaction Taxes, either pursuant to Sub-clause 11.6(b) or as part of the consideration where that consideration is expressed to be inclusive of Indirect Transaction Taxes, until such time as a Tax Invoice is received.

(d) Any reference in:

- i. this Contract to a cost, expense or other liability ("Cost") incurred by a Party; or
- ii. the calculation of consideration or of any indemnity, reimbursement or similar amount to a Cost, must exclude the amount of any Indirect Transaction Taxes.

(e) Each Party will take all reasonable steps to co-operate with and provide all necessary assistance to the other Party to ensure so far as possible that the Taxes treatment is accepted by the relevant Government Agency, including the provision of Tax Invoices, proof of payment, proof of source and/or origination and other documentation for this purpose.

#### **11.7. Responsibility**

The Contractor shall seek its own tax advice and will at all times comply with applicable Tax Laws of the relevant jurisdiction where Tax and Indirect Transaction Taxes are imposed, claimed, levied or assessed.

## **12. TERMINATION AND DEFAULT**

### **12.1. Contractor default**

(a) If the Contractor is in default of this Contract:

- i. the Company Representative or the Company may send the Contractor a Default Notice stating the intention of the Company to terminate the whole or any part of Contract under this Sub-clause 12.1 if the Contractor fails to remedy a default; or
- ii. if, in the Company's or the Company Representative's reasonable opinion, the default is not capable of remedy, the Company may, forthwith terminate the Contract on giving notice to the Contractor.

(b) If the Contractor fails to:

- i. remedy the default in a manner satisfactory to the Company within 10 Working Days of the Default Notice unless other time period is agreed in writing by the Parties; or
- ii. provide adequate assurance (in the opinion of the Company or the Company Representative) within 10 Working Days of the Default Notice that the default will be remedied within a reasonable time, which reasonable time shall be acceptable to the Company; or
- iii. remedy the default within a reasonable time after providing such assurances, then the Company may on giving notice to the Contractor:
- iv. forthwith terminate the whole or any part of the Contract; or
- v. take such action as the Company deems necessary to cure the default, including engaging a third party to carry out or complete the performance of the Contract (the cost of such action so taken by the Company being recoverable from the Contractor as a debt due to the Company by the Contractor); or
- vi. suspend payment under the Contract until the default has been remedied.

#### 12.2. **Insolvency**

- (a) If an Insolvency Event occurs, the Company may terminate the Contract immediately on notice in writing to the Contractor or to any other Person in whom the rights and obligations under this Contract may have become vested.
- (b) The Contractor shall give immediate notice in writing to the Company of an Insolvency Event if one occurs.

#### 12.3. **Termination for convenience**

In addition to any other rights the Company has under this Contract, the Company may at any time, in its discretion, terminate the Contract in whole or in part by giving the Contractor not less than 90 (ninety) calendar days' notice.

#### 12.4. **Company default**

- (a) If the Company fails without due cause to make a payment which is due to the Contractor under the Contract, and in respect of which:
  - i. the Contractor has submitted a Correct Invoice;
  - ii. all authorisations, consents and registrations that may be required from or with any Government Agency for the purposes of payment have been obtained;

- iii. the Company is not entitled, whether under the Contract or otherwise, to suspend, withhold or set off; and
  - iv. there is no Dispute as to the Company's liability to pay, the Contractor may give a Default Notice to the Company stating the intention of the Contractor to terminate the Contract under this Sub-clause 12.4 if the Company fails to make payment within 30 Working Days.
- (b) If the Company fails to make the payments referred to within 30 (thirty) Working Days of the Default Notice without just cause, the Contractor may by giving not less than 90 (ninety) Working Days` notice to the Company:
- i. terminate the Contract; or
  - ii. suspend performance of the Contract notwithstanding any provisions to the contrary contained in the Contract.

#### **12.5. Effect of termination**

- (a) In the event of either Party giving a notice of termination in accordance with this Clause 12, the Contract shall terminate on the date above mentioned or otherwise as mentioned in the notice.
- (b) No action taken or document issued by the Company under Clause 12 will limit the rights, remedies, powers, authorities and discretions and accrued Liabilities and obligations of the Parties (all of which shall continue in full force and effect as if there had been no such termination).
- (c) Clauses 1, 5, 8, 9, 11, 12, 13, 14, 15, 19, 20, 21, 22, 23, 24 and 25 and any other provision intended to survive termination of the Contract or required to give effect to termination will survive termination of the Contract.

### **13. DISPUTE RESOLUTION**

- 13.1. If at any time there is any Dispute, then the Company Representative and the Contractor Representative shall, as a condition precedent to the commencement of any proceedings in respect of the Dispute, forthwith confer in and endeavour to settle such Dispute.
- 13.2. Notwithstanding the existence of any Dispute, the Parties will continue to perform all of their obligations under the Contract without prejudice to their position in respect of any Dispute.
- 13.3. **Representatives to seek resolution**

- (a) If the Company Representative and the Contractor Representative are unable to resolve the Dispute within 30 Working Days of first meeting, either party may give to the other Party a notice (Dispute Notice) specifying the Dispute and requiring its resolution under this Clause 13.
- (b) Within 10 Working Days following the receipt of the Dispute Notice the Dispute shall be referred to a senior executive officer of each Party for resolution.
- (c) Should the a senior executive officer of each Party fail to reach an agreement in any or all matters in Dispute, before commencement of any arbitration proceeding, the Dispute shall be referred to conciliation according to the conciliation rules of UNCITRAL. Conciliation must take place irrespective of the willingness of the parties to go through conciliation proceedings. The number of Conciliator shall be one (1) appointed by both Parties, the language of the Conciliation proceedings shall be English, and the place of Conciliation proceedings shall be Maputo, Mozambique. Any dispute which still exists after termination of the conciliation proceedings shall be decided by arbitration.

#### 13.4. Arbitration

- (a) If the Company and the Contractor are unable to resolve the Dispute within 20 Working Days after the senior executive officers first conferring, or within such other period as the Parties may agree in writing, such Dispute shall be finally settled by arbitration in accordance with the following Sub-clauses.
- (b) Where the value of the arbitration claim is less than two million United States Dollars (USD 2,000,000), the Dispute shall be submitted to arbitration under the UNCITRAL Arbitration Rules by a sole neutral arbitrator appointed in accordance with the procedure established in the UNCITRAL Arbitration Rules. If the Parties are unable to agree on the appointment of a sole arbitrator within 30 Days of the appointment proposal made in accordance with this procedure, the appointing entity shall be the International Chamber of Commerce (ICC) in accordance with the ICC Rules as the Appointing Authority in CDUDMI and other Ad Hoc Arbitrations. The seat of the arbitration shall be Maputo, or as otherwise determined by agreement between the Parties. The language for the arbitration shall be English.
- (c) Where the value of the arbitration claim is greater than two million United States Dollars (USD 2,000,000), the Dispute shall be submitted to arbitration under the ICC Arbitration Rules (save that no requirements of the ICC Arbitration Rules as to the nationality of the arbitrator shall apply) by three arbitrators, one appointed by each Party and the chairman chosen by the two Party appointed arbitrators. The seat of the arbitration shall be New Delhi, India but the arbitral tribunal shall have discretion to hold hearings in any location it sees fit, or as otherwise determined by agreement between the Parties. The language for the arbitration shall be English.

- (d) The value of the arbitration claim, for the purposes of determining the jurisdiction of the arbitral tribunal to settle the Dispute, is the monetary amount, value or damage which is sought to be recovered by the claimant in the arbitration, or which is otherwise the subject matter of the Dispute. Any interest included in the claim shall be disregarded in the calculation. The value of the arbitration claim shall be determined by the arbitral tribunal:
- i. In the case of arbitration under the UNCITRAL Arbitration Rules, as soon as the arbitral tribunal has been constituted or upon communication of the statement of claim to each of the arbitrators, if this is later; and
  - ii. In the case of arbitration under the ICC Arbitration Rules, as soon as the Request for arbitration (as defined in the ICC Arbitration Rules) has been transmitted to the arbitral tribunal.
- (e) If any Party enters a plea concerning the jurisdiction of the arbitral tribunal on the basis of the value of the claim, the arbitral tribunal must rule on such a plea as a preliminary question.

13.5. The arbitration decision shall be binding and final, and shall be enforceable in any judicial court having jurisdiction.

## **14. ACCOUNTS AND RECORDS**

- 14.1. The Contractor shall keep for a period of not less than 24 months after end of the Term, a complete set of accounts and records in accordance with good and accepted accounting principles showing all its expenditure under the Contract and all supporting information on an open book basis.
- 14.2. The Company may, at its discretion, request the Contractor to provide evidence, in a form satisfactory to the Company, that any Indirect Transaction Taxes paid by the Company to the Contractor have been paid or properly accounted for to the relevant Government Agency in due time. Any payments to the Contractor may be withheld, and the time for payment referred to in Clause 10.4 shall be suspended, until the Contractor provides such evidence.
- 14.3. At any time until 24 months after the end of the Term, the Company or its nominees shall have the right to inspect and verify the accounts and records referred to in Sub-clauses 14.1 and 14.2, and the Contractor shall give the Company proper opportunity so to inspect and verify together with proper facilities for such inspection and verification.

## **15. NOTICES**

- 15.1. All Communications shall be made in writing in English, except as otherwise required by Law.
- 15.2. In those cases where, by Law, any written communication by the Parties must be in Portuguese, the Portuguese version shall be accompanied by an English version, which the Parties acknowledge and accept to be bound to for purposes of sub-clause 15.1.
- 15.3. The Communications must be:
- (a) facsimiled;
  - (b) attached to an email;
  - (c) delivered express (either locally or internationally) by an international courier; in each case, to the number or address (physical address or e-mail address) specified in the Form of Agreement; or
  - (d) delivered by hand to the other Party's Representative.
- 15.4. The Communications shall be deemed to have been received:
- (a) if delivered express (either locally or internationally) by an international courier, when delivered to the Party to whom the Communication is addressed;
  - (b) if delivered personally, sent by facsimile or electronically as an email attachment:
    - i. if it is transmitted or hand delivered by 4.30 pm (at the place of receipt) on a Working Day – on that day; or
    - ii. otherwise, on the following Working Day.

## **16. CONFLICTS OF INTEREST**

### **16.1. Warranty**

The Contractor warrants that as at the date of the Contract it has not carried on business, entered into any financial arrangements or undertaken any obligation which would in any way interfere or conflict with the performance of the Contract by the Contractor and its Personnel under the Contract.

### **16.2. Conflicts of interest**

The Contractor must ensure that neither it nor any of its Personnel carry on business, enter into any financial arrangements or undertake any obligation which would in any way interfere or conflict with the performance of the Contract by the Contractor and its Personnel under the Contract, without the prior written consent of the Company.

### **16.3. Indemnity**

Without limiting Clause 19 the Contractor indemnifies the Company and must keep the Company indemnified in respect of any Liabilities incurred or sustained by the Company as a result of any breach by the Contractor of the warranties contained in Clause 16.1 or the undertakings contained in Clause 16.2.

## **17. BUSINESS INTEGRITY**

### **17.1. Establishment of Procedures**

The Contractor must establish and maintain procedures, policies and precautions to prevent its Personnel from making, receiving, providing or offering gifts, entertainment, payments, loans or other consideration to Personnel of the Company or the ICVL Group for the purpose of influencing such Personnel to act contrary to the best interests of the Company. This obligation will apply to the activities of Personnel in their relations with Company Personnel arising from the Contract

### **17.2. Improper advantage or benefit to Official**

- (a) The Contractor represents and warrants that it has not offered, paid, promised to pay, authorised the payment of or transferred money or anything of value to an Official to secure any improper advantage or benefit in relation to the matters contemplated by the Contract, either directly or indirectly through a third party.
- (b) The Contractor must not, directly or indirectly, in connection with the Contract, offer, pay promise to pay or authorize the giving of money or anything of value to an Official, or to any other person, while knowing or being aware of a high probability that all or a portion of such money or thing of value may be offered, given or promised, directly or indirectly to an Official, for the purpose of influencing the act, decision or omission of such Official to obtain or retain business related to the Contract, to direct business related to the Contract to any person, or to obtain any improper advantage or benefit.

- (c) The Contractor must not directly or indirectly, in connection with the Contract, offer or make unofficial payments or offer anything of value to any official to secure or expedite a routine action or service to which an individual or company is prohibited.
- (d) The Contractor represents that no Official or close relative of an Official has any direct or indirect ownership or other legal or beneficial interest in it or any of its Affiliated Entities, or in the contractual relationship established by the Contract, and that no such Official serves as an officer, director, employee, or agent of the Contractor.
- (e) The representations, warranties and obligations under this Clause 17.2 will continue throughout the Term.

### **17.3. Notification regarding change of interests**

The Contractor agrees to promptly notify the Company in writing of any changes in the direct or indirect ownership in the Contractor or its Affiliated Entities that would make it or them an Official. The Contractor covenants that should the Company notify it of any concerns that there has been a breach of the provisions of Clauses 17.2 or this Clause 17.3, it must cooperate in good faith with the Company in determining whether such a breach has occurred. If the Company determines in its sole discretion that there has been such a breach or that the Contractor has taken any action that would create a material risk of liability for the Company under any applicable law, it may treat the breach as an event of default and exercise any rights it may have under the Contract upon the occurrence of an event of default, but without regard to any waiting periods or cure periods specified in the Contract.

### **17.4. Notification of failure to comply with Clause**

The Contractor agrees to notify the Company promptly upon discovery of any instance where the Contractor or any of its Personnel fail to comply with this Clause 17.

## **18. LIABILITY**

- 18.1. Subject to Sub-clause 18.2 the Contractor will be liable to the Company and any third parties, in accordance with the Law, for any losses or damages arising from the acts or omissions of the Contractor or its Personnel in the performance of this Contract.
- 18.2. No provision of this Contract shall, or shall be read as intending to, exclude liability of either Party for gross negligence, willful misconduct, fraud or fraudulent misrepresentation.

- 18.3. Neither Party shall be liable to the other for any delay or failure (including any stoppage or reduction of its operations) in performing its obligations under the Contract to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that Party, and which by its nature could not have been foreseen by such Party or, if it could have been foreseen, was unavoidable, provided that the Party shall use all reasonable endeavors to mitigate the effect of the Force Majeure event or circumstance on the performance of its obligations and resume performance under the Contract,
- (a) Promptly, or upon becoming aware of the Force Majeure event or circumstance (being such Force Majeure event or circumstance limited to: act of war, declared or undeclared; sabotage; invasion; armed conflict; act of foreign enemy; embargo; revolution; insurrection; act of terrorism; industrial action excluding those industrial actions resulting from breakdown and/or employer/employee relationship between the parties relating on Force Majeure and its employees; lightning; earthquake; floods; storm; fire; cyclone; typhoon; tornado; chemical or radioactive contamination; epidemic or plague), or as soon as reasonably practicable after the start of the Force Majeure event or circumstance but no later than 48 (forty eight hours) hours from its start, the Party must notify the other Party, in writing, of the Force Majeure event or circumstance, its nature, the date and time on which it started, its cause and its likely or potential duration, and the effect of the Force Majeure event or circumstance on its ability to perform any of its obligations under the Contract and, when appropriate or when reasonably requested to do so by the other Party, update such information.
  - (b) If any Force Majeure event or circumstance prevent the Contractor from carrying out its obligations under the Contract for a continuous period of more than 5 (five) days, the Company may terminate this Contract immediately by giving written notice to the Contractor.
  - (c) The Contractor shall not in any event be entitled to compensation for demobilization, stand down or other time or any other losses whatsoever.

## **19. INDEMNITY**

- 19.1. The Contractor shall indemnify, hold harmless, defend and keep indemnified the Company and its Personnel against all Liabilities caused, whether wholly or in part, directly or indirectly by:
- (a) any breach by the Contractor or its Personnel of any of the Contractor's obligations (including any warranty) under the Contract;
  - (b) any non-compliance with any Law, or any penalty imposed for breach of any Law in connection with the performance or non-performance of the Contract caused by any act or omission of the Contractor or its Personnel;

- (c) any act or omission by the Contractor or its Personnel arising out of the performance of the Contract;
- (d) any illness, injury or death of any person, or any loss or destruction of or damage to any property which is caused by the Contractor or its Personnel, in connection with the Contractor's performance or non- performance or breach of the Contract, or any other act or omission of the Contractor or its Personnel;
- (e) any actual or alleged contamination, pollution or public or private nuisance arising directly or indirectly out of the acts or omissions of the Contractor or its Personnel; or
- (f) any legal costs on attorney and client scale for legal action to enforce the Contractor's indemnification obligations under this Clause.

19.2. Each indemnity in the Contract is a continuing obligation separate and independent from the Contractor's other obligations.

## **20. GOVERNING LAW AND LANGUAGE**

20.1. The Contract is governed by the Laws of the Republic of Mozambique.

20.2. This Contract is drafted in English.

## **21. THIRD PARTY RIGHTS**

21.1. No provision of the Contract is intended to confer a benefit on, or be enforceable by, any person who is not a party to the Contract.

## **22. WAIVER**

The waiver partly or wholly of the terms of the Contract shall:

- (a) be valid only if in writing and signed by the Company;
- (b) apply to a particular occasion only;
- (c) not be continuing unless expressed to be so; and
- (d) not constitute a waiver partly or wholly of any other condition or term.

## **23. ENTIRE AGREEMENT**

The Contract, as amended from time to time in accordance with its provisions, represents the entire agreement between the Parties and supersedes all prior understandings and representations.

## **24. SEVERANCE**

Any provision of the Contract which is invalid or unenforceable in any jurisdiction shall be enforced to the maximum extent possible so as to give effect to the intent of the Parties, or, if incapable of such enforcement, shall be ineffective only as to that jurisdiction and to the extent of the prohibition or unenforceability. This does not invalidate the remaining provisions of the Contract nor does it affect the validity or enforceability of that provision in any other jurisdiction.

## **25. NUMBER OF ORIGINALS**

The Contract shall be executed in the number of originals stipulated in the Form of Agreement.

## **B. SERVICES GENERAL CONDITIONS**

### **26. CONTRACTOR STATUS**

26.1. This Contract does not create a relationship of agency between the Parties, and the Contractor shall have no authority to represent the Company or act in its name.

### **27. SERVICES**

27.1. The Contractor must perform the Services, as well as any additional services which may be agreed between the Parties, with the highest standard of care, skill and diligence that would normally be expected of a reputable and competent Person carrying out services similar to the Services in order to fulfil the Contract Objectives.

27.2. The Contractor undertakes that the Services and each element of the Services:

(a) will be fit for the purpose for which the Services are required, which shall include (without limitation) that the Services and the deliverables rendered by the Contractor can lawfully be used to fulfil the objectives of the Project;

(b) will comply with the Contract;

(c) will comply with applicable Standards; and

(d) will comply with all applicable Laws.

27.3. The Contractor shall complete the Services within the agreed timeframes and by the Completion Date.

27.4. The Contractor shall attend meetings with the Company and the Company's Personnel and nominated consultants, whenever necessary and when requested by the Company.

## **28. CONTRACTOR'S PERSONNEL**

28.1. The Contractor must not remove from performance of the Services any Personnel in the list in Schedule E ("Key Personnel"), without the prior written approval of the Company Representative.

28.2. If the Company so determines, Key Personnel and any new Personnel replacing Key Personnel will be required to enter into confidentiality agreements on terms required by the Company.

28.3. The Company Representative may direct the Contractor to remove a member of the Contractor's Personnel from the performance of the Contract if in the opinion of the Company Representative, that Personnel is lacking in appropriate skills or qualifications, engages in inappropriate conduct or is incompetent or negligent. The Contractor must comply with such direction immediately and must promptly replace such Personnel at no extra cost to the Company. The Contractor must not re-assign the removed Personnel to the performance of the Contract at any time thereafter.

28.4. The Contractor is responsible for obtaining and maintain valid visas and/or work permits, as and if applicable, for all its expatriate Personnel, before commencement of any Services, and for any penalties, fines, charges or other levies or costs that may arise in case such visas and/or work permits are not obtained or maintained.

## **29. SUSPENSION OF SERVICES**

### **29.1. Company's Suspension**

The Company may:

(a) at any time, in its absolute discretion and for its convenience; or

(b) if the Company, acting reasonably, forms the opinion that it is necessary:

- i. because of an act, default or omission of:
  - A. the Company or its Personnel; or
  - B. the Contractor, a Sub-contractor or their Personnel;
- ii. to comply with an order of a court or competent Government Agency;
- iii. for the protection or safety of any person or property; or
- iv. because suspension of work under a contract upon which the Services depend prevents the carrying out of the Services,

direct the Contractor to suspend the carrying out of the whole or part of the Services for such time as the Company sees fit.

#### **29.2. Contractor's Suspension**

If the Contractor wishes to suspend the carrying out of the whole or part of the Services, otherwise than pursuant to Sub-clause 12.4(b)(ii), the Contractor shall obtain the Company's prior written approval. The Company may approve the suspension and may impose conditions of approval in its absolute discretion.

#### **29.3. Effects of Suspension**

The Contractor shall do all things possible to reduce any expense or cost consequent upon the suspension. The suspension shall not vitiate the Contract.

#### **29.4. Prolonged Suspension**

- (a) If suspension of the whole or a substantial part of the Services under Sub-clause 29.1 continues for more than 180 consecutive Days, then the Company shall either:
  - i. by notice to the Contractor terminate the Contract with effect from a specified date (no greater than 7 Days after the date of the notice); or
  - ii. direct the Contractor to recommence the suspended Services as soon as reasonably practicable.
- (b) Subject to paragraph (c) below, if the Company gives a notice under Sub-clause 29.4(a)(i) above, then such notice shall be treated as if it were a termination notice under Sub-clause 12.3 and the Contract were terminated under that clause.
- (c) If the direction to suspend is issued under Sub-clause 29.1(b)(i) a notice under Sub-clause 29.4(a)(i) shall be treated as if it were a termination notice under Sub-clause 12.1(a)(i) and the Contract were terminated under Sub-clause 12.1.

### 29.5. Claim

The Contractor will not be entitled to any claim, and will not be entitled to standby rates, in connection with the suspension when the Services are suspended:

- i. pursuant to Sub-clauses 29.1(b)(i)B, 29.1(b)(ii) or 29.2, or
- ii. pursuant to Sub-clauses 29.1(b)(iii) or 29.1(b)(iv), where the Contractor or its Personnel made the protection, safety or suspension of work necessary.

### 29.6. Standby and recommencement

- (a) If the Services are suspended for any reason, the Company may direct the Contractor to keep certain Contractor Personnel on standby and the Contractor must comply.
- (b) Subject to Sub-clause 29.5, standby rates, if any, will be paid in accordance with Schedule A (Remuneration Schedule), in respect of Contractor Personnel whom the Company has directed be kept on standby.
- (c) The Contractor shall promptly recommence performance of the Services or the relevant part of the Services on receiving notice from the Company to do so.

## 30. CONSEQUENCES OF TERMINATION

30.1. In the event of either Party giving a termination notice in accordance with Clause 12, the Contractor must:

- (a) immediately cease performance of the terminated Services subject to any Directions made by the Company Representative or Company;
- (b) comply in all respects with any Directions contained in the termination notice or given by the Company or Company Representative;
- (c) immediately take all possible action to mitigate any Liabilities incurred by it as a result of such termination;
- (d) within 5 Working Days after the termination notice, provide the Company with a detailed report in such form as the Company may require in relation to the Services performed up to and including the date of the termination notice;

- (e) return to the Company any items issued to the Contractor by the Company during the Term as soon as reasonably practicable; and
- (f) provide the Company with any Documentation and Drawings (whether complete or incomplete) prepared by or on behalf of the Contractor.

30.2. Clauses 30 and 32 shall survive termination of this Contract.

30.3. If the Contract is terminated under Sub-clause 12.1 or 12.2:

- (a) the Company Representative shall certify its reasonable estimate or the actual amount of:
  - i. all payments made to the Contractor;
  - ii. all losses and additional costs arising in connection with all prior breaches by the Contractor or with the termination; and
  - iii. all costs, charges and expenses of any nature, incurred by the Company in carrying out and completing the balance of the Services or such part thereof taken out of the Contractor's hands or arising from the termination and any associated delay;  

less
  - iv. the Contract Price.
- (b) If the amount certified under Sub-clause 30.3(a) is positive, it will be a debt due by the Contractor to the Company which may be deducted from any amounts due or becoming due to the Contractor and/or by judgement in any court of competent jurisdiction.

30.4. If the Contract is terminated under Sub-clause 12.3 or 12.4 the Contractor is entitled to recover from the Company (less any amounts previously paid and subject to any rights which the Company may have to suspend, withhold, or set off payments):

- (a) the Contract Price of all parts of the Services performed in accordance with the Contract at the date of termination and not included in a previous invoice; and
- (b) costs reasonably incurred by the Contractor in the expectation of completing the whole of the Services and not included in any other payment by the Company,

provided the Contractor has taken all reasonable steps to mitigate these amounts.

- 30.5. The Contractor will not be entitled to recover any loss of profits arising as a result of termination.

### **31. LOCAL SUPPLIERS**

- 31.1. The Contractor shall, in the performance of the Contract (in respect of parts of the Contract performed on Site):

(a) use suppliers and manufacturers available locally or if not available locally then otherwise available within the Country, except in those cases where the Contractor can demonstrate that such suppliers or manufacturers do not offer competitive prices or internationally comparable quantities, qualities and delivery schedules; and

(b) When hiring Personnel, give preference to Mozambique citizens from the local or neighbouring communities or, if not available locally then otherwise from within the Country, except in those cases where the Contractor can demonstrate that the necessary skills and expertise are not locally available or are available in insufficient quantity.

- 31.2. For the avoidance of doubt, the obligations in sub-clause 31.1 include, without limitation:

(a) giving local Personnel, suppliers and manufacturers a fair and reasonable opportunity to tender or quote;

and

(b) giving preference to Personnel, suppliers and manufacturers in the following order:

i. those available locally;

ii. those available within the neighbouring communities;

iii. those available within the Country;

iv. those tenders, arrangements or proposals that include local or Country based participation;

v. all others.

- 31.3. Except as otherwise agreed in writing by the Company Representative, the Contractor shall include in any Subcontract the same obligations as are referred to in Sub-clauses 31.1 and 31.2, and shall report to the Company Representative concerning such third party's implementation of that condition.

- 31.4. The Contractor shall, within 1 month of the Commencement Date and at monthly intervals thereafter or such other times as nominated by the Company Representative, submit to the Company Representative in the form required by the Company Representative a report concerning the Contractor's implementation of its obligations under this Clause 31.4.

## **32. INSURANCE**

### **32.1. Contractor's Insurance Policies**

The Contractor shall, at its expense, effect and maintain:

- (a) throughout the Term and for a further 3 years thereafter, indemnity insurance to a minimum value of two million United States Dollars (USD 2,000,000) for each and every claim in respect of liability arising by reason of any act, error or omission of the Contractor or the Contractor's Personnel in the performance of the Services; and
- (b) throughout the Term, if the performance of the Contract requires the Contractor to use plant and equipment, insurance covering all loss of and damage to the plant and equipment for its replacement value (or require the owner of the plant and equipment to maintain such insurance); and
- (c) throughout the Term, workers' compensation and employers' liability insurances covering all Liabilities, whether arising under Law or customary law, in relation to the death of, or injury to, any employee of the Contractor or any person deemed to be an employee of the Contractor; and
- (d) throughout the Term, insurance to a minimum value of two million United States Dollars (USD 2,000,000) for each and every claim, covering all Liabilities in respect of any injury to, or death of, any person not being a person who at the time of the occurrence is engaged in or upon the service of the insured under a contract of service or apprenticeship, or any loss, damage or destruction to property not belonging to nor in the care, custody or control of the insured; and
- (e) throughout the Term, if the performance of the Contract involves the use of vehicles, third party liability insurance covering all Liabilities in respect of any injury to, or death of, any person or any loss, damage or destruction to any property arising from the use of motor vehicles.

### **32.2. Policy requirements**

- (a) All of the Contractor's Insurance Policies must, unless prohibited by Law, be endorsed to:
- i. insure the Company and its Personnel for their respective rights and interests;
  - ii. include a cross liability clause, noting that each of the parties comprising the insured shall be considered as a separate entity, and the insurance applies as if a separate policy has been issued to each party;
  - iii. waive all express or implied rights of subrogation against the Company and its Personnel; and
  - iv. include a clause that provides that a breach of condition or term of insurance by one insured will not adversely affect the cover provided to another insured under the policy,
- save that (i) and (ii) above shall not apply in respect of any policy for professional indemnity insurance or workers' compensation/employer's liability insurance policies.
- (b) If the Contractor's Insurance Policies are subject to the application of any self-insured retention, excess or deductible, the amount of the self-insured retention, excess or deductible must be declared to the Company and, in the event of a loss, is payable by the Contractor. The Company reserves the right to require the Contractor to reduce the amount of any self-insured retention, excess or deductible where such amount is considered by the Company to be unreasonable in the circumstances of the Contract.
- (c) The Contractor's Insurance Policies must be taken out with a reputable insurer approved by the Company, and on terms and conditions consistent with prudent risk management practice.
- (d) No provision contained in this Clause 32 will limit the Contractor's liability including its liability to indemnify the Company in accordance with the Contract.
- (e) Before the Commencement Date and each time the policies are renewed or varied, the Contractor must provide the Company with an insurance certificate of currency or such other evidence as the Company may require that the Contractor and its Sub-contractors are insured in accordance with the Contract.
- (f) In the event that the Contractor fails to comply with its obligations under Clause 32 the Company may, at its sole option and without being under

any duty or obligation to do so, effect and maintain such insurances and deduct the costs of such insurances from any moneys due to the Contractor.

- (g) The Contractor must ensure that the Contractor's Insurances are not varied to the detriment of the Company, cancelled or allowed to lapse.
- (h) The Contractor will ensure that its Sub-contractors have the benefit of or effect and maintain insurances equivalent to the insurances required to be effected and maintained by the Contractor under this Contract.

## **C. SITE PROVISIONS**

### **33. SITE**

- 33.1. The Contractor shall comply with all Site rules notified to the Contractor by the Company Representative, including without limitation those governing the conduct of the Contractor's Personnel at and about the Site. The Company reserves the right from time to time to make and revise any such rules and the Contractor will comply fully with such rules, as revised.
- 33.2. Unless otherwise expressly specified in the Contract, the Contractor is responsible for the cost of transporting its Personnel to and from the Site and will provide for the movement of its Personnel on the Site at all times.
- 33.3. In the event of any breach of Sub-clause 33.1, the Company may:
  - (a) require the Contractor, the Contractor's Personnel, and/or any other Person to leave the Site immediately;

And

  - (b) require the Contractor and/or any of its Personnel to remove any material or substance from the Site at the Contractor's cost, and the Contractor must ensure such request is immediately complied with and take all possible action to ensure the safety of all Personnel.

### **34. OTHERS ON SITE**

- 34.1. The Contractor must co-operate with the Company and must not prevent the Company and any other contractors and suppliers (whether employed or engaged by the Company or not) from properly carrying out their work, and shall give them any information or data reasonably necessary or expedient to ensure proper performance of their respective work.

- 34.2. The Contractor is not entitled to any extension of any Completion Dates, increase in the Contract Price, damages, costs or any other financial or other compensation as a result of any interference from other contractors and suppliers (whether employed or engaged by the Company or not).

### **35. HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY**

- 35.1. The Contractor is responsible for the health and safety of its Personnel.
- 35.2. The Contractor must comply, and ensure all Contractor Personnel on Site comply with the HSEC Requirements and all directions given by the Company Representative.

## **D. GOODS**

### **36. GOODS/EQUIPMENTS**

- 36.1. The Company shall be entitled at its discretion to require to the Contractor that the Goods used by the Contractor in the performance of the Services are purchased from a certain supplier for a reduced cost and any such benefit resulting from the reduction in the cost of the Goods shall be fully passed on/transferred to the Company by adjusting the Contract Price.
- 36.2. The Contractor warrants all Goods/Equipment used by it are against any defect, and warrants that all Goods shall be fit for the purposes for which they are intended, for a period up to the end of the Term or such other periods specified in the Contract.

# FORMAT OF FORM OF AGREEMENT

## SERVICES CONTRACT (SHORT FORM)

### FORM OF AGREEMENT



Contract Number	<input type="text"/>
Date	<input type="text"/>
Project	<input type="text"/>

Company name	<input type="text"/>
Company registration number	<input type="text"/>
Tax number	<input type="text"/>
Address	<input type="text"/>
Fax number	<input type="text"/>
Telephone number	<input type="text"/>

Company name	<input type="text"/>
Company registration number	<input type="text"/>
Tax number	<input type="text"/>
Address	<input type="text"/>
Fax number	<input type="text"/>
Telephone number	<input type="text"/>

Name of Company's representative	<input type="text"/>
E-mail address	<input type="text"/>
Address	<input type="text"/>
Telephone number	<input type="text"/>
Fax number	<input type="text"/>

Contractor name	<input type="text"/>
Contractor registration number	<input type="text"/>
Tax number	<input type="text"/>
Address	<input type="text"/>
Telephone number	<input type="text"/>
Fax number	<input type="text"/>

Name of Contractor's representative	<input type="text"/>
E-mail address	<input type="text"/>
Address	<input type="text"/>
Telephone number	<input type="text"/>
Fax number	<input type="text"/>

Commencement date	<input type="text"/>
Site location	<input type="text"/>
Site access date (if applicable)	<input type="text"/>
Completion date	<input type="text"/>
Place/country of payments to Contractor	<input type="text"/>
Nominated currency	<input type="text"/>
Special Conditions attached	<input type="radio"/> Yes <input type="radio"/> No

Description of Services <i>(as described in detail in the Specification)</i>	<input type="text"/>
---	----------------------

Trade Warranties <i>(specify any critical items for which trade warranties will be required)</i>	<input type="text"/>
---	----------------------

Contract Price not to exceed <i>(the Contract Price is exclusive of Value Added Tax and other Indirect Transaction Taxes, as applicable)</i>	<input type="text"/>
---	----------------------

**The Contractor shall perform and complete the Services in accordance with the following:**

1. This Form of Agreement
2. Special Conditions (if any)
3. General Conditions for Short Form Services Contract (ICVL SCGC SHORT FORM - v5 - 05 01 2015 - ENGLISH)
4. Specifications (it must, among other things, define the Contract Objective, contain full description of the Services and Scope of Services, including sub-categories of Services, details of any deliverables and reports, responsibility for accommodation, etc.)

Insert Specification Number (SN); Revision Number (RN); and Revision Date (RD)

5. Schedules (tick those that apply and are herein attached):

- |  |  |
|--|--|
| <input type="radio"/> Schedule A Remuneration Schedule<br><input type="radio"/> Schedule A.1 Lump Sum Schedule<br><input type="radio"/> Schedule A.2 Schedule of Rates<br><input type="radio"/> Schedule A.3 Not used<br><input type="radio"/> Schedule A.4 Not used<br><input type="radio"/> Schedule A.5 Company Nominated Sub-Contractors<br><input type="radio"/> Schedule A.6 Rates for Variations<br><input type="radio"/> Schedule A.7 Optional Items<br><input type="radio"/> Schedule A.8 Labour Rate Changes / Rise and Fall Formula<br><input type="radio"/> Schedule A.9 Currency Exchange Rate Adjustment<br><input type="radio"/> Schedule A.10 Fuel Consumption and Pricing<br><input type="radio"/> Schedule A.11 Customs Duties<br><input type="radio"/> Schedule A.12 Milestones<br><input type="radio"/> Schedule A.13 Not used | <input type="radio"/> Schedule B Spare Parts<br><input type="radio"/> Schedule C Labour Force and Materials<br><input type="radio"/> Schedule D Cash Flow Forecast<br><input type="radio"/> Schedule E Contractor's Key Persons<br><input type="radio"/> Schedule F Statement of Major Plant and Equipmnt<br><input type="radio"/> Schedule G Programme<br><input type="radio"/> Schedule H List of Proposed Sub-Contracts<br><input type="radio"/> Schedule I Not used<br><input type="radio"/> Schedule J Lubrification Schedule<br><input type="radio"/> Schedule K Service Maintenance and Special Tools<br><input type="radio"/> Schedule L Technical Data provided by Contractor<br><input type="radio"/> Schedule M Contractor's Methodology<br><input type="radio"/> Schedule N Drawing and Data Requirements<br><input type="radio"/> Schedule O Not used |
|--|--|

6. Appendices (tick those appendices that apply and are herein attached, where component of Services involves On-Site work):

- |  |   |
|--|---|
| <input type="radio"/> Appendix A Specific Site Requirements<br><input type="radio"/> Appendix B Conditions of Employment<br><input type="radio"/> Appendix C Health, Safety & Environmental Requirements | <input type="radio"/> Appendix D Quality System Requirements<br><input type="radio"/> Appendix E Tax Concession |
|--|---|

This Contract is made and signed in (place)  in  originals (three originals whenever the Contractor is not a Mozambique registered entity or is not a Mozambique resident entity) being one for each Party (and the third one, if existent, for the Central Bank of Mozambique)

Signed by its authorised signatories on behalf of (insert Company name)

Signature

Signature

Date: \_\_\_\_\_ / \_\_\_\_\_ / 20 \_\_\_\_\_

Date: \_\_\_\_\_ / \_\_\_\_\_ / 20 \_\_\_\_\_

Name (please print) \_\_\_\_\_

Name (please print) \_\_\_\_\_

Title (please print) \_\_\_\_\_

Title (please print) \_\_\_\_\_



Signed by its authorised signatories on behalf of *(insert Company name)*

Signature

Date: \_\_\_\_\_ / \_\_\_\_\_ / 20 \_\_\_\_\_

Name *(please print)* \_\_\_\_\_

Title *(please print)* \_\_\_\_\_

Signature

Date: \_\_\_\_\_ / \_\_\_\_\_ / 20 \_\_\_\_\_

Name *(please print)* \_\_\_\_\_

Title *(please print)* \_\_\_\_\_

Signed by its authorised signatories on behalf of *(insert Contractor name)*

Signature

Date: \_\_\_\_\_ / \_\_\_\_\_ / 20 \_\_\_\_\_

Name *(please print)* \_\_\_\_\_

Title *(please print)* \_\_\_\_\_

Signature

Date: \_\_\_\_\_ / \_\_\_\_\_ / 20 \_\_\_\_\_

Name *(please print)* \_\_\_\_\_

Title *(please print)* \_\_\_\_\_



## **FORMAT OF SCHEDULE A**

### **SCHEDULE OF RATES**

**Rate per tonne of ROM delivered at delivery point -- USD \_\_\_\_\_ per tonne**

# MINAS DE BENGA, LDA (MBL)

TETE, MOZAMBIQUE

Tender No: TE089/2016

Volume 4 of 4

## HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY DOCUMENT

FOR

COAL MINING OPERATION SERVICES

AT THE BENGA MINE

Dated: 04<sup>th</sup> of May 2017

Last date of Bid Submission: 9<sup>th</sup> of June 2017

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 1 of 21



# PROC-0003: Occupational Exposures Management Procedures

## Approval

	Position	Signed	Date
<b>Owner</b>	Occupational Hygiene Advisor		
<b>Reviewed 1</b>	Health & Safety Superintendent		
<b>Reviewed 2</b>	HSE Manager		
<b>Approved by</b>	General Manager Benga Operations.		

## Revisions

Rev	Date	Revision description

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 2 of 21

## Table of Contents

1.	Purpose	4
2.	Scope	4
3.	CHEMICAL EXPOSURES	4
3.1	Risk Assessment	4
3.2	Exposure Management Plan	4
3.3	Workplace Exposure Monitoring	5
3.3.1	Personal Monitoring	5
3.3.2	Area Monitoring	5
3.4	Reporting of Workplace Monitoring Results	6
3.5	Medical Surveillance	6
3.6	Exposure Controls	6
3.7	Respiratory Protection Programme	7
4.	HEARING CONSERVATION	7
4.1	Risk Assessment	7
4.2	Noise Exposure Management Programme	8
4.3	Noise Monitoring	8
4.4	Designated Noise Protection Areas	9
4.5	Noise Control Plan	10
4.6	Hearing Protection Devices	11
4.7	Audiometric Testing	11
5.	MANUAL HANDLING	12
5.1	Manual tasks	12
5.2	Workplace assessment	12
5.2.1	Manual handling risk assessment	12
5.3	Control of manual handling risks	13
5.4	Organisational and individual measures	14
6.	Responsibilities	15
7.	Definitions	17
8.	Performance / Monitoring Indicators	18
9.	Training / Competencies Required	19
10.	References	19
11.	Review Criteria	19
12.	Appendices	19

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 3 of 21



## 1. Purpose

The purpose of this Procedure is to define the strategy by which ICVL shall actively minimise the health risks associated with working in the coal mining environment by systematically identifying, evaluating and controlling exposure to workplace health hazards; and also to comply with national legislation.

## 2. Scope

This Procedure is applicable to all ICVL Operations including Benga, Exploration, and Coal Chain.

## 3. CHEMICAL EXPOSURES

### 3.1 Risk Assessment

A qualitative risk assessment shall be conducted and documented in ICVL Risk Register to determine potential exposure to particulate and gas/ vapour.

Risk assessment shall be reviewed during the design of new workplaces, introduction of new equipment or during process change.

### 3.2 Exposure Management Plan

Risk assessments shall determine the need to implement the exposure management plan. An exposure management plan is required when:

- The 95 per cent upper confidence limit of an SEG's mean exposure concentration for agents resulting in chronic effects, such as total inhalable dust, respirable dust, respirable crystalline silica, asbestos or non-asbestos fibrous materials, exceeds the relevant Occupational Exposure Limits (OELs); or
- Agents with an acute effect, such as particulate hazards, or gases (e.g. carbon monoxide, hydrogen sulphide, ammonia, etc), or vapours exceed 50 per cent of the relevant OEL; or
- There is no quantitative data and the risk assessment indicates a high or critical inherent risk of exposure to the contaminant.

The exposure management plan shall include:

- Designated work areas
- Workplace monitoring

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 4 of 21



- Medical surveillance
- Exposure controls
- Respiratory protection
- Emergency preparedness

Designated work areas shall:

- Be identified and mapped, signposted or otherwise clearly communicated to employees working in the area. Signposting, where necessary, shall use appropriate wording or symbols on signs to identify the hazard;
- Have a documented respiratory protection programme based on suitable risk assessment and standards, which is applied to all personnel working in the areas;
- Conduct exposure monitoring of employees (SEGs) periodically; and
- Have a formal review of the practicality of engineering controls at least every two years, or less where it is a critical control for a significant risk.

Designated work areas shall be documented in ICVL Risk Register.

### **3.3 Workplace Exposure Monitoring**

#### **3.3.1 Personal Monitoring**

Personal exposure monitoring of employees and contractors are determined based on ICVL Risk Register.

In the absence of Mozambican legislation, the exposure monitoring methodology, equipment, laboratory analysis and records shall comply with ICVL and/ or internationally recognized standards.

For known human carcinogens (e.g. crystalline silica, asbestos), mutagenic and reproductive toxicants, exposure data shall be statistically valid on an annual basis. If three or more years of statistically significant data are less than 25 per cent of the OEL, or below the detection limit, then monitoring periodicity can go out to once every three years, provided the process or work organisation (including maintenance) remains unchanged.

#### **3.3.2 Area Monitoring**

Area monitoring shall be conducted where risk assessment indicates the possible presence of levels of gas or vapour sufficient to cause health effects or a safety incident

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 5 of 21



in less than one shift (e.g. methane gas in coal drilling, confined space entry). Continuous monitoring is required as long as the potential for harm exists. Area monitoring can be used to assist the exposure assessment but cannot replace personal monitoring for particulate and gas/ vapour.

### 3.4 Reporting of Workplace Monitoring Results

Workplace monitoring results shall be provided to the employee or contractor who was monitored. Reporting shall be done in a formal report, memorandum, e-mail or verbally (toolbox talk) but shall be documented.

When the monitoring results exceed the ICVL Occupational Exposure Limit (OEL) with current control measures deemed inadequate it shall be reported as a health incident to ensure mitigation actions are taken. This will ensure that control measures are reviewed, assessed and improved.

### 3.5 Medical Surveillance

ICVL employees and contractors shall be submitted to a medical surveillance programme when:

- The SEG time weighted average (TWA) mean exposure to respirable crystalline silica, total inhalable dust, respirable dust, lead or asbestos dust is greater than 50 per cent of the relevant OEL;
- ICVL medical provider considers that it is advisable; or
- There is a legal requirement for medical monitoring.

Where risk assessment indicates a risk of a respiratory condition, assessment programs shall include chest x-rays and lung function tests.

### 3.6 Exposure Controls

Where the exposure to particulate and gas/ vapour is likely to exceed the Action Level (i.e. the exposure levels above 50 per cent of the relevant OEL), suitable control measures based on the risk assessment shall be implemented. Elimination or substitution controls shall be considered as first priority.

#### Engineering controls

- Where elimination or substitution is not practicable, engineering controls shall be used to reduce exposure levels.

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 6 of 21



- The use of dust suppression methods and dust collection devices to minimise particulate emissions shall be considered.
- If the employee is working in an enclosed area, the area shall be well ventilated and/ or ventilation systems (e.g. exhaust ventilation, air conditioning) shall be available to provide protection.
- All engineering control equipment and monitors shall be maintained to operate to design specifications.

#### **Administrative**

- Rotation of tasks to minimise exposure.
- Decrease duration of exposure by limiting long work hours and overtime.

#### **Personal Protective Equipment (PPE)**

- Implement and maintain the Respiratory Protection Programme.

### **3.7 Respiratory Protection Programme**

A Respiratory Protection Programme for the use of respiratory protective devices (RPDs) such as respirators, dust masks, shall be developed and implemented for the designated work areas.

RPDs shall be used only as the last consideration to control exposure to particulate and gas/ vapour.

The respiratory protection programme shall include:

- Selection of RPDs where factors such as adequacy of protection to hazardous substances, compatibility with the work tasks and comfort and allowance for adequate communication shall be considered;

If respirators are going to be used, a respirator management program shall be developed and implemented.

For air-supplied RPDs, breathing air shall be effectively filtered and/or isolated from plant and instrument air, and isolated from sources of nitrogen and carbon monoxide potential exposure. The quality of the breathing air shall be checked for conformance with national or international standards.

## **4. HEARING CONSERVATION**

### **4.1 Risk Assessment**

Qualitative noise assessment shall be conducted and documented in ICVL Risk Register.

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 7 of 21



Where noise exposure is identified as a potential health risk hazard further evaluation shall be conducted using quantitative assessment and/or other investigation and monitoring techniques as applicable.

- A quantitative noise assessment shall be conducted for high and critical inherent risk identified in the Risk Register.
- Quantitative assessment shall be conducted through noise surveys and personal noise monitoring (dosimetry).
- Noise from sources producing average levels in excess of 85 dB(A) for a 8-hour time weighted average or its equivalent or peak impulse noise levels in excess of 140 dB(C) shall be designated noise area.
- A hearing conservation programme shall be implemented for the noise protection areas (designated areas).

Noise risk assessment shall be conducted during the design of new operations, introduction of new equipment or changes to process.

#### **4.2 Noise Exposure Management Programme**

Quantitative risk assessments shall determine the need to implement hearing conservation programme.

The hearing conservation programme shall include:

- Noise monitoring;
- Designated noise protection areas;
- Noise control plan;
- Exposure controls including training and use of hearing protective devices; and
- Audiometric testing.

#### **4.3 Noise Monitoring**

##### **Work Area Noise Surveys**

- Noise surveys shall be carried out where the risk assessment has identified high or critical inherent risk or when it likely noise exposure exceeds 85 dB(A).
- Noise surveys shall be conducted as part of baseline monitoring and whenever there is a change in the production process or new equipment is installed or used.

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 8 of 21



- If peak (impulse) noise exceeds 140 dB(C) during noise surveys employees working in the area will automatically be included in the hearing conservation programme.
- Noise surveys shall be based on the use of a sound level meter (SLM), with 3 dB exchange rate, and A-weighting and impulse noise measurement capability and calibrated as per the manufacturer's method.
- Workplace noise sources shall be identified and characterized by a competent person using a SLM. When risk assessments indicate a need to describe personal noise exposures adequately, a noise integrating dosimeter is required.

#### **Personal Noise Monitoring (Dosimetry)**

- Personal noise monitoring will be carried out on identified Similar Exposure Group (SEG) to ascertain noise exposure levels in the designated noise areas.
- Monitoring shall be based on the use of dosimeter with 3 dB exchange rate, the A weighting scale, and impulse noise measurement capability and calibrated as per manufacturer's method.
- When SEG dosimetry indicates that the 95-percentile value of a 8-hour mean exceeds 85 dB (A) (Leq8hr) personnel classified in that SEG shall be included in the hearing conservation programme.
- Noise monitoring results shall be communicated to the area personnel and management.
- Personal noise monitoring sampling shall be conducted on annual basis for the designated noise protection areas and documented in ICVL Annual Hygiene Monitoring Plan.
- Only trained and competent person(s) shall conduct noise monitoring.

#### **4.4 Designated Noise Protection Areas**

All identified noise protection areas shall be documented in ICVL Designated Noise Protection Areas and updated as required.

All designated noise protection areas shall be identified, mapped (where practicable) and clearly communicated to employees who work in the area. Appropriate symbols and wording shall be used.

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 9 of 21



#### 4.5 Noise Control Plan

Noise control measures shall be incorporated into the planning and design phases for new or modified workplaces, facilities or equipment.

Control measures particularly engineering controls shall be incorporated to annual HSE improvement planning process to ensure control measures are reviewed and improved where practicable.

The noise control plan shall include a description of the area, process and equipment identified and usage. Noise reduction strategies shall incorporate hierarchy of control methodology:

- **Elimination**
- **Substitution**
  - Replace noisy equipment with quieter equipment
- **Engineering**
  - Reduction of noise at source
  - Isolation/ enclosing of noise
  - Isolation/ enclosing of worker
  - Additional noise reduction such as acoustical treatment
  - Lessening metal-to-metal contact
  - Reducing escaping high velocity air or steam
  - Muffling motors or air compressors to reduce noise contact
  - Maintenance of equipment to reduce vibrations on bearings or shafts
  - Adding dampening material to thin shell reverberant surfaces on machines
- **Administration**
  - Training
  - Work schedules
  - Rotation to minimise exposure

A documented process shall be developed for inspection, assessment and maintenance of the engineering controls and noisy equipment to ensure that the equipment continues to operate to design specifications.

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 10 of 21



#### 4.6 Hearing Protection Devices

Hearing Protection Devices (HPD's) shall be provided where other controls are not feasible or as an interim measure while control of noise is being achieved by other means. They shall be selected, fitted and maintained in accordance with local regulatory requirements or to international standards.

HPD's shall align to ICVL approved PPE.

Noise awareness training shall be provided to employees and contractors as part of the hearing conservation programme. Training shall include:

- The proper use of hearing protection devices and their limitations
- Recognition of signs and symptoms of hazardous noise exposure
- Preventative measures to reduce noise exposure
- Audiometric testing requirements; and
- Refresher training provided at least once every three years.

Hearing Conservation training is required for all SEGs working in the Designated Noise Protection Areas and provided by Training Department in alignment with HSE Department.

#### 4.7 Audiometric Testing

Audiograms will be required upon initial hiring and two yearly for all personnel with noise exposure exceeding 85 dB(A) Leq8hr or 140 dB(C) for impulse noise as designated by their SEGs.

Audiometric testing shall be performed to local regulatory requirements.

ICVL Occupational Health Centre is responsible for the management of the audiometry programme.

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 11 of 21



## 5. MANUAL HANDLING

### 5.1 Manual tasks

Healthy work is characterised by dynamic whole body movements involving low to moderate exertions, comfortable postures, and frequent rest breaks or changes of task.

Where the handling of loads is involved, these factors shall be considered:

- Infrequently.
- With light loads or low levels of force.
- With a compact load.
- With the load held close to the body.
- Between mid-thigh and shoulder height.
- With use of both hands.
- Without sudden release of energy (jerking).
- Without twisting movements.
- Without side bending of the trunk.
- With freedom of movement.
- With adequate training.
- With no sharp edges or corners likely to inflict cuts.
- With no risk of impact from moving objects.

### 5.2 Workplace assessment

The workplace assessment shall consider manual handling tasks, including a consideration of the environmental conditions, working methods as well as organisational and individual factors

#### 5.2.1 Manual handling risk assessment

The manual handling risk assessment requires hazard identification and risk rating. An occupational hygiene approach that utilises similar exposure groups (SEGs) or tasks is recommended.

#### Hazard identification

Hazard identification shall be carried out using a combination of the following techniques:

Design Analysis - All designs of new (or redesigns of existing) plant, equipment and processes shall be analysed (for manual handling risks) by the responsible Project

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 12 of 21



Engineer in conjunction with plant process and engineering personnel prior to acceptance. Consideration shall be given to common process and engineering maintenance functions.

- Injury / Illness Statistics Analysis - All incidents involving strains or sprains shall be investigated and assessed by the appropriate Superintendent to determine whether they were the result of an inherent risk in plant, equipment or work practices.
- Workplace Inspection and Employee Consultation - All workplaces shall be inspected for the presence of manual handling risks arising from the design, construction, and maintenance of any plant, equipment, or processes. In the case of new equipment, inspection shall be done prior to commissioning.
- Environmental considerations - manual handling performed in non-neutral thermal environments (defined by ISO 7730:1995 as temperatures between 19 degrees C and 26 degrees C, 30-70% relative humidity and air velocity less than or equal to 0.2 m/s) is associated with an increase in manual handling risk and shall be subjected to additional risk assessment.

Once a risk has been discovered it shall be treated as any other form of physical risk and included on a physical risk survey form for the plant / site area in question.

### 5.3 Control of manual handling risks

Once a risk has been established with any manual handling operation the primary objective shall be to redesign the manual handling task to:

- Eliminate the risk; or
- Control the level of risk (utilising the hierarchy of controls); and
- Ensure employees involved receive appropriate training in safe manual handling techniques

Where redesign of the manual handling activity is not possible, or as a temporary measure, the objectives shall be to:

- Provide mechanical aids; and/or
- Arrange for team lifting techniques.
- Ensure employees involved receive appropriate training in safe manual lifting techniques; and

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 13 of 21

- Provide personal protective equipment

## 5.4 Organisational and individual measures

### Management considerations

- There shall be an effective change management system that prevents rapid and “knee-jerk” changes, provides good communication of the change, allows adequate time for feedback opportunities of those affected by the change and allows time for consolidation of the change.
- Roles, responsibilities and accountabilities need to be clearly defined:
  - **Project Engineers** shall ensure that full risk analysis, including manual handling issues, is carried out on projects under their control. No project shall be incorporated into operating plant until the risk of employees sustaining an injury from manual handling activities has been minimised as part of the final project audit.
  - **Superintendents or Team Leaders** shall:
    - Ensure that a full risk analysis, including manual handling issues, is carried out on existing plant and equipment under their control, and that a prioritised programme of rectification is established. Risk identification shall encompass both operating and maintenance aspects, and execution shall include employee representatives from both areas of responsibility. Risk identification shall be repeated whenever circumstances change.
    - Review all accidents resulting from manual handling activities to determine whether they were the result of an inherent risk in plant, equipment or work practices.
  - **Managers** shall ensure that:
    - Plant and equipment used in the workplace is designed to eliminate or minimise manual handling. Where elimination is not practical they shall be designed, constructed, and maintained to be, as far as practical, safe and without risk to health and safety when manual handling is necessary
    - The work practices carried out in the workplace and the working environment are designed to be, as far as workable, safe and without risk to health and safety;
  - **Employees:**
    - Shall use safe manual handling techniques.
    - Shall use mechanical aids, personal protective equipment, or team-lifting techniques, where they have been provided, and where they have received appropriate training in their use.
    - Shall report unsafe conditions.
    - Shall be encouraged to keep an adequate level of physical fitness and physical activity at work and at home.

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 14 of 21

## Training

The company shall provide all employees with training and information on correct practices of manual handling.

## 6. Responsibilities

Role	Responsibility
<b>Manager and Superintendent</b>	<ul style="list-style-type: none"> <li>– Ensure the Occupational Exposure Management Procedure is implemented and maintained.</li> <li>– Ensure adequate resources are available to conduct workplace monitoring.</li> <li>– Ensure there is documented process for inspection, assessment and maintenance of the engineering controls.</li> <li>– Ensure equipment and machine including engineering controls continue to operate to design specifications.</li> <li>– Maintain written administrative controls where required.</li> </ul>
<b>Contractors</b>	<ul style="list-style-type: none"> <li>– To implement Occupational Exposures Management Procedure where required.</li> <li>– To comply with the Occupational Exposures Management Procedure requirements.</li> <li>– To provide medical surveillance to their employees in accordance with this Procedure.</li> </ul>

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 15 of 21



### Occupational Hygiene Advisor

- Assist Supervisors, Contractors and Management in the risk assessment of Health hazards.
- Assist Area Supervisors, Contractors and Management with occupational hygiene monitoring and control plans if risk is determined.
- Ensure regular monitoring is conducted as required by the regulatory entities.
- Develop and facilitate the implementation of the Occupational Exposures Management Procedure, including training, selection of appropriate protection devices and controls when required.
- Review of workplace monitoring, respiratory protection, medical surveillance, noise monitoring, hearing conservation and audiometric programmes on periodic basis.

---

### Supervisors

- Assist employees and contractors in identifying health hazards using risk assessment tools such as Take 5.
- Implement the Occupational Health programmes within their area of supervision when required.
- Ensure personnel working in designated areas are compliant to the use of health protection devices.
- Ensure personnel are afforded the opportunity to participate in the medical surveillance programme.
- Notify and consult personnel of workplace monitoring results.
- Remind workers of health consequences from exposure to airborne contaminants, excessive noise exposures and mitigation controls through toolbox talks, safety meeting, etc.
- Report all health incidents or complaints to HSE Department.

---

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 16 of 21

---

- All Employees**
- Identify health hazards using Take 5 or Job Hazard Analysis (JHA) where required.
  - Use appropriate health protection devices (dust masks, half-face respirators, ear plugs, ear muffs) in designated work areas for the entire exposure time when required.
  - Participate in the Occupational Health programmes, including medical surveillance and audiometric testing if required.
  - Report any defects in equipment and machine including engineering controls that may result in adverse health effects.

- 
- Occupational Health Center**
- Administer and manage the medical surveillance and audiometric programmes.
  - Maintain records of lung function and audiometric testing and follow-up notifications.
  - Report any changes to the individual health conditions to HSE Department, Managers, Superintendents, Supervisors and Employees
- 

## 7. Definitions

Term	Definition
Audiometric Testing	Hearing test to evaluate the hearing threshold level measured in decibels as a function of frequency measured in hertz (audiogram).
Decibel (dB)	Unit of measurement of sound level, either A-weighted (A) or C-weighted peak (C).
Dosimetry	Personal monitoring using a dosimeter to measure average personal noise exposure over a period of time, generally expressed as a time weighted average and/ or per cent dose.
Engineering Noise Control	A control measure (not including the use of a personal hearing protector) that reduces the noise to which a person is exposed by the design or modification of the physical working environment.

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 17 of 21

Hearing Protection Device (HPD)	A device, or pair of devices, worn by a person or inserted in the ears of a person to protect from excessive noise, e.g. ear plugs, ear muffs, etc.
Hearing Conservation Programme	A hearing conservation programme comprises risk assessment, noise monitoring, noise controls and protection, training and audiometric testing.
Noise	Unwanted or excessive sound.
Noise exposure	The amount of sound energy the unprotected ear of a person is exposed to noise.
Noise Induced Hearing Loss	Occupational noise-induced hearing loss means hearing impairment arising from exposure to excessive noise at work.
Noise Surveys	A noise survey is considered area monitoring using a sound level meter (SLM) to measure the noise levels of the work areas by mapping and/ or noise contours.
OEL	Occupational Exposure Limit.
Particulate	Generic term used in this procedure to refer to dusts, mists, smokes and fumes.
Respirable Dust	Inhaled dust particles which can penetrate to the smallest airways of the lungs. Generally considered to be 5 µm or less in aerodynamic diameter.
Respiratory Protection Programme	A programme to manage particulate/ gas/ vapour exposures. It comprises of risk assessment, exposure monitoring, controls and protection, training and health surveillance.
RPDs	Respiratory Protection Devices: dust masks, half-face respirators, full-face respirators and Self-Contained Breathing Apparatus (SCUBA).
Sound Level Meter (SLM)	Sound Level Meter is used to measure noise levels during a noise survey.
Smoke	Carbon or soot particles less than 1.0 micron in size. These small, gas-phase particles created by incomplete combustion consist predominantly of carbon and other combustible materials.
Vapour	Gaseous phase of a substance ordinarily liquid or solid at room temperature (25°C) and atmospheric pressure (760 mmHg).

## 8. Performance / Monitoring Indicators

Type of Document	Document Title	Frequency	Location	
Report	Chemical Exposures Report	Baseline and Annual	Shared Drive	
Report	Noise Monitoring Report	Baseline and Annual	Shared Drive	
Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 18 of 21

## 9. Training / Competencies Required

Designation	Training / Competencies required
Audiometric Testing	Trained, certified or demonstrate competency
Occupational Hygiene Monitoring	Trained, certified or demonstrate competency

## 10. References

Type of Document	Document Title	Document Number
Mozambique Legislation	General Regulations on Occupational Health and Safety in Industrial Premises:	
Mozambique Legislation	Technical Safety & Health Regulations in Geological Activities and Mining	Decree Nr 61/2006

## 11. Review Criteria

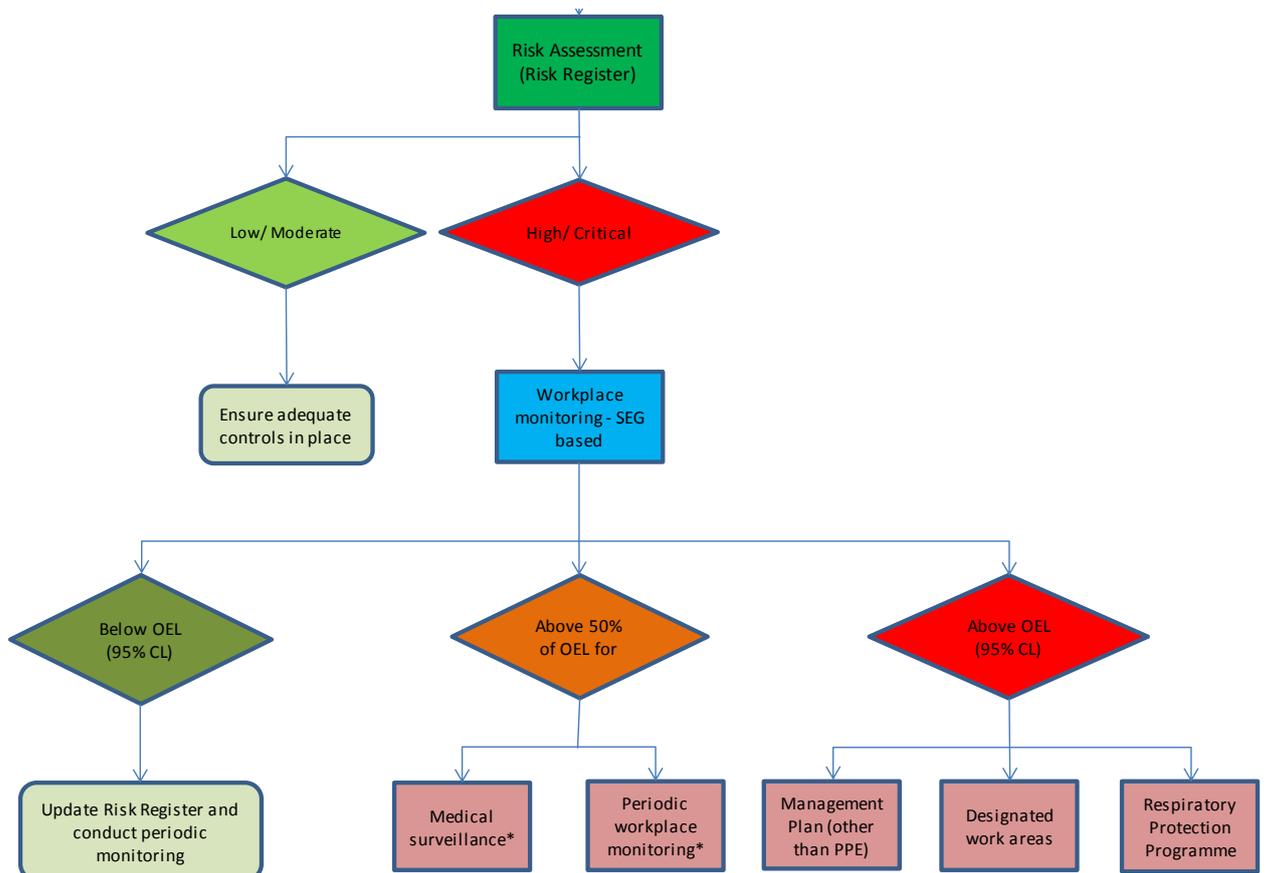
This document shall be reviewed as follows:

- ◆ At least every THREE years;
- ◆ When there is a change of method and/or technology that may affect the accuracy of this document;
- ◆ When there has been a significant event to which this document was relevant;
- ◆ As a result of relevant audit findings.

## 12. Appendices

### Management of Chemical Exposures Process Flowchart

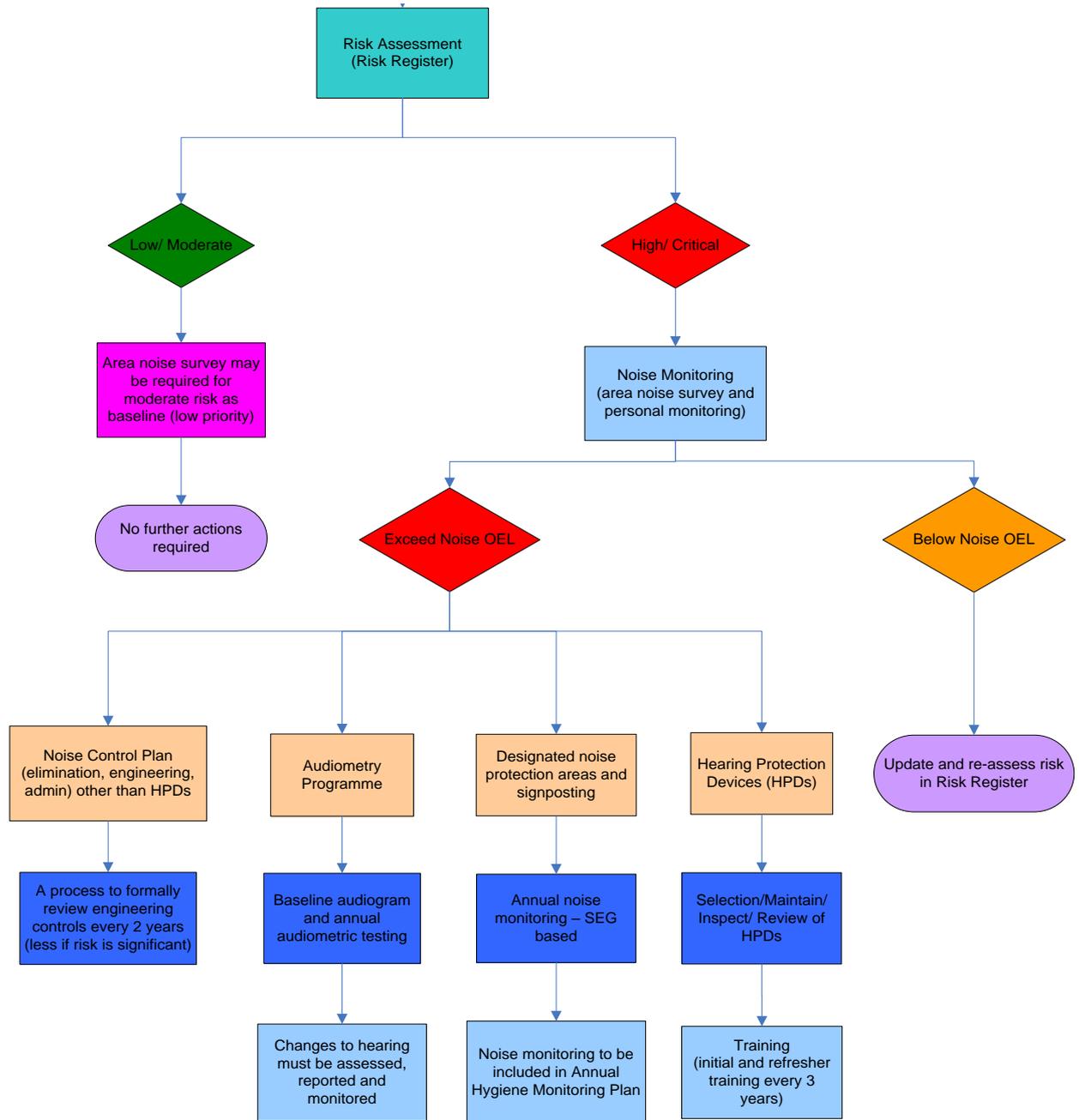
Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 19 of 21



Note: \* Both medical surveillance and periodic workplace monitoring will be required when airborne contaminant level exceed the OEL

Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 20 of 21

### Hearing Conservation Process Flowchart



Title	Date issued	Version Number	Next review date	Page
PROC-0003: Occupational Exposures Management Procedure	07 May 2015	0	07 May 2018	Page 21 of 21