

Introduction

USP&E presents the following Scope of Work and Fee Proposals for providing the Mechanical and Electrical Consulting and Engineering services necessary to assist with project engineering and design work out of our South Africa and Indian offices. At USP&E, our intention is to support our Clients with BFEED, Detailed Engineering, and Design services for Power Plant development at its prospective project site(s). By further leveraging our fuel supply and power station design expertise we assist our clients to save considerably in fuel costs over the life of their project.

This discounted price proposal is offered with the express understanding that the information supplied will be used to secure each project and that USP&E will be appointed to supply the power station assets, and also perform services as commissioning and O&M partner for said projects.

The proposal covers the Engineering Design for the project. Design details will be provided as decisions are finalized and phased to allow procurement to proceed from the end of the second month, or sooner if possible. Project commencement follows Notice to Proceed (NTP), mobilisation payment and signature upon publication of design plans and drawings.

Our objective will be to save costs and fast track a viable design for this project. The ongoing involvement of USP&E through procurement and construction is essential to maintaining the design integrity.

The battery limit for all services is the power station fence unless otherwise agreed with the Client.

1 Reimbursable Services

Founded in 2002 and with operations across Africa, Europe and in Beirut, USP&E is a premier service and equipment supplier to banking, investment fund, mining, IPP, and government utility clients around the world. Because we do not just EPC projects, but stock and sell power station assets, and perform the full spectrum of O&M services, our Rates are typically more competitive than nearly all of the reputable market players in this space. USP&E's Schedule of Rates for the various categories of personnel engaged in our engineering, project and construction management services groups worldwide is listed in Table 1 below. These rates include:

- Salaries and wages and related taxes and workman's compensation insurance
- SOS and basic health/dental insurance
- All project-related printing, IT, computer, mobile and high speed communications, project management software, and license and subscription costs for e-Tap and other load analysis and design tools
- Project-related company overheads and profits

1.1 Schedule of Rates

Labour Category	Office \$ / Hr	Site \$ / Hr
Services (Johannesburg + Perth)		
Principal Engineer	127	139
Project Manager	122	134
Lead Engineer	115	127
Design Engineer	82	94
Lead Draftsperson	92	104
Design Draftsperson	82	94
Lead Control Systems Engineer	105	117
Control Systems Engineer	82	94
Electrical Superintendent	95	107
Electrical Supervisor	90	102
Project Administrator	70	82
Document Controller	58	70
Project Secretary	30	42

Labour Category	Office \$ / Hr	Site \$ / Hr
Services (India)		
Expat Project Manager	120	132
Lead Engineer	55	67
Design Engineer	37	49
Lead Draftsperson	39	51
Design Draftsperson	32	44

*As project needs change daily, project rosters will be agreed to and fixed only upon receipt of purchase order.

2 Reimbursable Costs

2.1 Internal Costs

USP&E shall be reimbursed at the direct cost plus an administration charge of 8% for the following direct project expenses:

- Economy class travel, lodging, meals, expenses
- All courier and overnight mail services
- International phone calls where Skype/Whatsapp or other free applications are unavailable
- Travel allowance for any staff member using a personal or company transportation in order to fulfill scope of work under this contract at a rate of \$1.00 / km.

2.2 External Services

USP&E shall be reimbursed for direct costs plus an administration fee of 8% for all third party or indirect costs incurred in the provision of services such as:

- Purchase of materials, tools, equipment or services on behalf of Client
- Sub-consultants
- Sub-contractors

2.3 Transportation

USP&E shall be reimbursed for all direct project-related transportation and related insurance costs plus an 8% administration fee:

- Hire vehicles – most basic class available and suitable for site/project conditions
- Air travel - All 6+ hour international flights shall be booked as business class fares, if available.
- All travel days shall be billed out to Clients as an 8 hour work day at full “Office” rates.

2.4 Taxes: VAT / GST

The Value Added Tax (VAT) will be applied at the Ruling Rate as per the requirements of SARS in South Africa and wherever else applicable.

The Goods and Services Tax (GST), where applicable, will be applied to the Ruling Rate as per the requirements of the local Australian Taxation Office.

2.5 Offshore Services

All rates and charges quoted in these Commercial Terms are exclusive of any offshore taxes and duties as necessary.

2.6 Movement in Market Conditions

These rates will be reviewed annually and with a 90 days notice period, adjusted as per market and site conditions.

3 Terms and Conditions

The following Terms and Conditions shall apply:

1. Our drawings and reports will be in English and in accordance with international standards.
2. USP&E will exercise the reasonable skill, care, diligence and attention to project schedules and project timeliness of a person providing similar Services.
3. Technical meetings in USP&E's South Africa and Beirut technical offices are included, but all Client travel and lodging costs shall be to the Client.
4. Any geotechnical testing and report will be supplied at cost.
5. USP&E will perform all services with a view to minimizing risk to staff, vendors, clients, the environment and local populations.
6. The Client will render full and unfettered access to all project documentation, technical details, fuel specifications, and loading configurations to USP&E.
7. The Client will secure and render to USP&E all required statutory approvals, environmental impact assessments (EIA), other permits, leases, and mandates as necessary.
8. The Client agrees to pay to USP&E all Fees and Expenses per this Schedule of Rates, deeming these fees fair and appropriate.
9. Transportation (automotive, airplane, and other as needed) from each USP&E's engineering and design team member's home airport to site shall be supplied by the Client, inclusive of a driver and fuel.
10. Security and drivers for transportation to site and around site shall be supplied by the Client, unless requested that USP&E supply their own and charge back to Client at cost plus 8%.

11. Monthly invoices shall be sent to the Client by the 7th of each month and shall be payable within 30 days of invoice, when interest will begin to accrue at 2%.
12. USP&E reserves the right to cease design, engineering, and installation efforts if payments are not received on a timely basis, demobilizing to South Africa if late payments are not received within 48 hours of notice.
13. Property and ownership rights in any goods supplied by USP&E whilst in the course of performing these works shall remain with USP&E and the title in the goods will not pass to the Client until full payment for all goods and services and outstanding fees is paid in full.
14. Prices may change on any aspect of the scope of work based upon changes in foreign exchange.
15. USP&E's liability to the Client for any project losses or damage incurred whilst on the project in any respect shall be limited to the total amount payable by the client for the re-performance of said services in order to correct this loss. This excludes for any consequential losses of any kind.
16. After the passing of 1 year from the date of final invoice, USP&E shall be discharged in respect of the Services whether under the law or contract or otherwise.
17. The Client hereby indemnifies USP&E against all claims, demands, and costs related to third parties except wherein the claim is the direct results of USP&E errors and omissions.
18. USP&E shall maintain the exclusive copyright over the use of materials, drawings, drone video footage, project time-lapse footage, digital renderings, bills of quantity, load analysis, e-tab power station configurations and designs, timelines, schedules, and other project documents created by USP&E.
19. The Client shall have full access to the above project documents and materials, but this right shall be suspended and, potentially, permanently revoked, if in breach of payment failure.
20. Both Parties agree to keep confidential all project details, strategies, equipment OEMs, power station configurations, or other confidential information, without the prior written consent of the other Party.
21. The Client agrees not to poach, solicit, or discuss procurement of USP&E's staff or sub-contractors for a period of 12 months following termination of the current assignment without prior written consent from USP&E management.
22. The Governing Law of the contract for services shall be the Government of South Africa, or of the USA.
23. USP&E shall maintain project related insurance policies which are standard and customary for companies like USP&E who operate in emerging markets. Indemnity and general liability insurance shall not be less than \$5m and can be increased as required by our Client(s).
24. During the period for which the Services are being performed, the Client shall maintain insurance policies which are standard and customary, including for fire, inclement weather, theft, and physical loss or damage.
25. Any field-engineering, interfacing with the utility company, EPA, or state or federal regulatory agencies will be charged at standard rates. Any PPA consulting will be also additional to the contemplated scope and will be provided at an additional cost, as needed. Environmental planning studies are additional to and outside the scope of this proposal, but budgets have been discussed and our services are available.