

## **CONTRACT DATA**

**A contract between  
SENTECH, Sender Technology Park, Radiokop, Octave Road, Honeydew,  
and**

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**for the  
provision of mergers and acquisitions advisory services to Sentech SOC LTD for a  
period of 24 months.**

**Bid Number: SENT/004/2021-22**

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## PART C1: AGREEMENTS AND CONTRACT DATA –

### Form of Offer and Acceptance

#### Offer

Sentech, identified in the acceptance signature block, has solicited offers to enter into a contract for the provision of advisory services on mergers and acquisitions.

The Bidder, identified in the offer signature block, has examined the documents listed in the Tender Data and addenda thereto as listed in the Bid schedules, and by submitting this offer has accepted the conditions of the Bid.

By the representative of the Bidder, deemed to be duly authorized, signing this part of this form of offer and acceptance, the Bidder offers to perform all of the obligations and liabilities of the Bidder under the Contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the Contract Data.

#### **THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF APPLICABLE TAXES; (in the Bids applicable currency).**

\_\_\_\_\_ (amount in words);  
\_\_\_\_\_ (amount in figures)

***NB: The Prices quoted above is the total Bid offer inclusive of all applicable taxes for the Contract duration. The price must be carried over from the price breakdown / schedule of rates provided in the Bid document.***

This offer may be accepted by Sentech by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the Bidder before the end of the period of validity stated in the Tender Data, whereupon the Bidder becomes the party named as the Bidder in the conditions of contract identified in the Contract Data.

**Bidder's Signature(s)** \_\_\_\_\_

**Signed by the Bidder at** \_\_\_\_\_ **on this the** \_\_\_\_\_ **day of** \_\_\_\_\_ **20** \_\_\_\_\_

**Name(s)** \_\_\_\_\_

**Capacity** \_\_\_\_\_

**Address (Domicillium)**

\_\_\_\_\_  
\_\_\_\_\_

## Acceptance

By signing this part of this form of offer and acceptance, Sentech accepts the Bidder's offer. In consideration thereof, Sentech shall pay the Bidder the amount due in accordance with the conditions of contract identified in the Contract Data. Acceptance of the Bidder's offer by the signature by Sentech shall form an agreement between Sentech and the Bidder upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract are contained in:

- Part C1 Agreements and contract data, (which includes this agreement)
- Part C2 Pricing data
- Part C3 Scope of work.

and drawings and documents or parts thereof, which may be incorporated by reference into Parts C1 to C3 above.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto as listed in the Bid schedules as well as any changes to the terms of the offer agreed by the Bidder and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this agreement. No amendments to or deviations from the said documents are valid unless contained in this schedule of deviations.

Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the Bidder receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the Bidder within five working days of the date of such receipt notifies Sentech in writing of any reason why it cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

**Sentech's Signature(s)** \_\_\_\_\_

**Signed by Sentech at** \_\_\_\_\_ **on this the** \_\_\_\_\_ **day of** \_\_\_\_\_ **20** \_\_\_\_\_

**Name(s)** \_\_\_\_\_

**Designation** \_\_\_\_\_

**SENTECH SOC LIMITED,**

Sender Technology Park

Octave Road

Radiokop

Honeydew

Johannesburg

**Date** \_\_\_\_\_

**Upon acceptance by Sentech of the Bidder's offer, a contract will come into existence.**

## SCHEDULE OF DEVIATIONS

**Notes:**

- 1 The extent of deviations from the Bid documents issued by the Sentech before the Bid closing date is limited to those permitted in terms of the conditions of Bid.
- 2 A Bidder's covering letter shall not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid, become the subject of agreements reached during the process of offer and acceptance, the outcome of such agreement shall be recorded here.
- 3 Any other matter arises from the process of offer and acceptance either as a confirmation, clarification or change to the Bid documents and which it is agreed by the Parties becomes an obligation of the contract shall also be recorded here.
- 4 Any change or addition to the Bid documents arising from the above agreements and recorded here shall also be incorporated into the Contract.

1. **Subject** \_\_\_\_\_

**Details** \_\_\_\_\_

2. **Subject** \_\_\_\_\_

**Details** \_\_\_\_\_

3. **Subject** \_\_\_\_\_

**Details** \_\_\_\_\_

4. **Subject** \_\_\_\_\_

**Details** \_\_\_\_\_

By the duly authorised representatives signing this schedule of deviations, Sentech and the Bidder agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to the documents listed in the Tender Data and addenda thereto as listed in the Bid schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the Bidder and Sentech during this process of offer and acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the Bid documents and the receipt by the Bidder of a completed signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this agreement.

## Contract Data

### Part one - Data provided by Sentech given in all contracts

#### 1. The Purchaser is

**SENTECH SOC LIMITED,**  
Sender Technology Park  
Octave Road  
Radiokop  
Honeydew  
Johannesburg

#### 2. General

The National Treasury General Conditions of Contract for goods and services (NT GCC, 2010) or General Conditions of Contract for Works (2015) as issued by National Treasury and the Construction Industry Development Board of the Republic of South Africa apply, respectively.

The goods are specified in the Scope of Work. The Special Conditions of Contract (SCC) are stipulated in the Tender Data.

#### 3. Goods information:

The *Goods Information* is in the document called "Scope of Work" and in the documents and drawings referred to by it.

#### 4. Terms of Delivery

The *Terms of Delivery* are contained in the General Conditions of Contract (GCC) and Special Conditions of Contract.

#### 5. Language

The *language* of this contract is English.

#### 6. Governing Laws and Jurisdiction

The Contract shall be governed by and interpreted according to the laws of the Republic of South Africa.

In the event of a conflict between or inconsistency in the laws applicable in the various provinces of the Republic of South Africa, the law as applied and interpreted in the Gauteng Province shall prevail.

The parties irrevocably submit to the exclusive jurisdiction of the South Gauteng High Court, Johannesburg in respect of any action or proceeding arising from this Bid.

This Bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the SCC are in conflict with the GCC, the SCC shall prevail.

#### 7. Sub-contracting post award

A Bidder awarded a Bid may only enter into a subcontracting arrangement with the approval of Sentech. The successful bidder may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the Bidder concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

#### 8. Transformation Plan

A transformation plan is a record of activities an entity intends to undertake to improve its BBBEE Level through Ownership, Management and Control; Skills Development; Enterprise and Supplier Development and Socio-Economic Development.

Sentech reserves the right to request a BBBEE transformation plan with clearly defined timelines and milestones if the recommended bidder does not meet Sentech's transformation goals. These milestones must be achieved over the term of the contract. This transformation plan shall be submitted within 10 working days from the written request, failing which Sentech reserves the right to withdraw its appointment of the preferred recommended Bidder.

## **9. Warranty**

The warranty period is 12 months after Delivery.

## **10. Payment**

The method and conditions of payment are contained in the Tender Data, GCC and SCC.

The interest on late payment is 0 % per complete week of delay.

## **11. Currency**

South African registered businesses that purchase equipment overseas and quote in foreign currency will be required to provide Sentech a 6-month forward cover contract on appointment. The 6 months forward cover will be re-negotiated and renewed every 6 months should the contract term on this tender be longer than 6 months.

## **12. General - Prices**

Unless approval has been obtained from Sentech, no adjustment in contract prices will be made. Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.

## **13. Price Negotiations**

Sentech reserves the right to negotiate market related prices. If market-related prices are not agreed to, Sentech reserves the right to cancel the Bid.

## **14. Liabilities indemnities and insurance**

Insurance is required from the Bidder in respect of delivery and transportation where applicable.

## **15. Disputes**

Should any dispute, disagreement or claim arise between the parties ("the dispute") concerning this Agreement, the parties shall try to resolve the dispute by negotiation. This entails one party inviting the other party to meet and attempt to resolve the dispute within fourteen (14) days from the date of the written invitation.

If the dispute has not been resolved by such negotiation as referred to in this clause above, the Parties shall submit the dispute to the Arbitration Foundation of Southern Africa ("AFSA") for administered mediation, upon the terms set out by the AFSA secretariat.

Failing such resolution, the dispute shall be resolved by arbitration in accordance with the rules and procedures of AFSA by an arbitrator appointed by AFSA. Where the arbitration route is followed, the dispute must be adjudicated within Johannesburg in the English language and finally resolved in accordance with the rules of AFSA, by an arbitrator or arbitrators appointed by that Foundation.

The provisions of this clause shall not preclude any party from obtaining relief from a Court of competent jurisdiction. To this extent, the Parties hereby consent to the jurisdiction of the South Gauteng High Court, Johannesburg, South Africa. The provisions of this clause shall continue to be binding on the Parties, notwithstanding any termination or cancellation of this Agreement.

## **16. Termination**

Sentech shall have the right, at its sole and exclusive discretion, upon written notice to the Bidder, to terminate this Agreement, in whole or in part should the Bidder fail to perform any of its obligations or deliver any deliverable timeously or should Sentech not be satisfied with the quality of any service/s in terms of this Agreement, to the satisfaction of Sentech.

Sentech shall furthermore have the right, as a result of such termination, to appoint a third party to perform the obligations of the Bidder in terms of the Agreement and the Bidder indemnifies Sentech against all costs incurred by Sentech in appointing such third party to fulfil the obligations of the Bidder.

Sentech shall have the right, at its sole and exclusive discretion, to terminate this Agreement, at any time, upon 30 (thirty) days' written notice to the Bidder.

## 17. Contract Term

This contract will run for a period of \_\_24\_\_ months.

## 18. Supplier Due Diligence

Sentech reserves the right to conduct supplier due diligence at any time pre, during and post the contract period. This may include announced or unannounced site visits.

### **Sentech's Representative is**

Name: Mr Zunaid Adams

Address: **SENTECH SOC LIMITED,**  
Sender Technology Park  
Octave Road  
Radiokop  
Honeydew  
Johannesburg

Tel No. 0114714400

Email: adamsz@sentech.co.za

Sentech's Representative is the Executive: Legal and Regulatory.

## 14. Delay damages

As stipulated in the Special Conditions of Contract.

## Contract Data

### **Part two - Data provided by the Bidder**

#### **Statements given in all contracts**

#### **The Bidder is:**

Name \_\_\_\_\_

Address \_\_\_\_\_

a company / close corporation / partnership duly incorporated in accordance with the laws of the Republic of South Africa.

**PART C2: PRICING DATA**

**Price List**

<b>ADVISORY FEES</b>	
<b>Fee Item</b>	<b>Price</b>
Consulting fee over the duration of the transaction	
Success fee	
Fees for legal advisors	
Fees for accounting and tax expert	
Fees for financial modelling and valuation expert	
Fees for other experts	
<b>Note: Different institutions formulate fees using various models, bidders are allowed to quote price per model they use.</b>	



## **PART C3: SCOPE OF WORK**

### **SENTECH'S GOODS INFORMATIXXXX**

#### **1. TECHNICAL REQUIREMENTS**

##### **1.1. Glossary of Terms**

Abbreviations	Descriptions
M&A	Mergers & Acquisitions
DD	Due Diligence

## 2. Introduction

The competitive environment has shifted substantially and only organisations that remain focused on digital innovation and excellence in customer service and their offerings are likely to survive. The fast-changing pace of technology, which is in part driving different customer needs, has transformed the face of broadcasting. SENTECH finds itself in a position where it needs to diversify revenue from the traditional sources of broadcasting and signal distribution.

To keep abreast of developments, SENTECH has formulated mergers and acquisitions strategy that will ensure inorganic growth by tapping into digital offerings that the company cannot provide. The M&A process will assist in building SENTECH's competitive advantage and create increased shareholder value, this can only be achieved through a targeted and expertly managed M&A process.

To expertly manage the process SENTECH requires a professional mergers and acquisitions advisor to execute on the mergers and acquisitions strategy. The calibre of the advisor should be one who has extensive knowledge of the industry and the mergers and acquisitions process and is therefore able to provide relevant advice throughout the process.

## 3. Requirements

Below are the required minimum specifications which have been grouped in terms of stages of an M&A process.

### Stage 1 – Origination

This is the origination stage for the M&A transaction. Under this stage the bidders will be expected to provide the following services:

- SENTECH's main aim of engaging in the M&A strategy is to increase market share and customers which in turn will grow its revenue. The advisor must be able to provide advice from a revenue growth perspective.
- SENTECH has developed a policy which details the criteria to be used in the selection of target companies. The advisor must be able to assist in the screening of possible targets based on the predetermined screening criteria as developed by SENTECH. This involves screening of targets based on products, market, revenues, profitability, ownership, organizational structure, directorship etc. the result of this process would be to short list the targets.
- In arriving at a short list of target companies; assumptions are made, the advisor must advice on pertinent assumptions to be made. These assumptions must be considered when due diligence is performed.
- The advisor must also be able to do detailed research on identified (short-listed) targets to prepare SENTECH on a possible approach of the targets.

- SENTECH is a state-owned entity and is bound by rules and regulations as stipulated by the state. The advisor must have knowledge of public sector regulatory framework, and the various legislation that must be adhered to for the transaction to be a success.
- The principles of the M&A process can be applied in any such transaction, however there are certain requests that are unique to the ICT sector. The advisor must have performed such services previously within the ICT sector.
- In addition, the advisor must be able to anticipate the reaction of customers, market, regulators, suppliers and other stakeholders and give advice accordingly to SENTECH on how to deal with various reactions.
- Industry knowledge is crucial for an advisor and since SENTECH operates in the ICT sector, the advisor must be familiar with the industry and be able to demonstrate such knowledge. The advisor must be able to provide insights relating to the ICT industry and target's view of the industry. The target's view of the industry has the potential to influence the price of the transaction.
- The way in which a potential target is approached is important and sets the tone for the negotiations. The advisor must assist in formulating a "meeting strategy" which is a strategy of how to approach the target company.
- Produce Origination Document that outlines issues raised above including but not limited to the, strategic issues, target universe, time and activity schedule, M&A approach, M&A opportunities.

## **Stage 2 – Transaction development and execution**

This stage involves the development and execution of the M&A transaction. This is characterised by providing strategic advice, conducting valuation and modelling, process management and transaction documentation. Under this stage the advisor will be expected to provide the following services:

- To make an informed decision, certain information must be obtained from the target. The advisor must assist in advising on which confidential information is to be gathered from potential target for due diligence and information purposes.
- Advisor must manage the due diligence process and assist management in determining whether initial assumptions to acquire target are still applicable post the due diligence.
- Advisor must be able to identify, recommend, draw terms of reference and manage other experts e.g. legal, tax, financial etc. who will conduct due diligence exercises. Advisor must coordinate the DD process and information flows

- Liaise with key regulatory bodies to advise and factor in approval requirements
  
- Advisor must conduct valuation and modelling for the recommended target to determine the enterprise value and purchase mechanisms. To be able to accomplish this the advisor must also have financial valuation and modelling skills.
  
- The advisor must offer expert advice to SENTECH in the negotiation process, to ensure success of the transaction. This should include bids tactics and strategy.
  
- The advisor must also assist in the preparation of non-binding offers and final purchase agreements in acquisition process.
  
- Additionally, the advisor must be able to advise SENTECH on the appropriate funding strategies and structures that will be suitable for the organisation

### **Stage 3 – Closing activities**

This stage involves the closing out activities of a successful M&A transaction. Under this stage the advisor will be expected to provide the following services:

- The advisor must assist with regulatory approvals
  
- The advisor must help with messaging to be distributed to shareholder, regulators, customers, suppliers, market and other stakeholders
  
- The advisor must offer support in completing a detailed post mortem of the transaction for future reference.

#### **3.1. Information to Bidders**

- Provide timelines to show amount of time available to deliver on each due diligence stream
- Regular reporting on progress and presentation to various committees required