

CRADLE OF HUMANKIND WORLD HERITAGE SITE

MEETING TO FINALISE EXPRESSION OF INTEREST DOCUMENT FOR THE
FUTURE MANAGEMENT OF STERKFORTEIN AND MAROPENG AS PER
GAUTENG EXECUTIVE COUNCIL DECISION OF SEPTEMBER 2013

8 OCTOBER 2013

A G E N D A

CHAIRPERSON: MAGS PILLAY

1. OPENING AND WELCOME
2. APOLOGIES
3. ADOPTION OF AGENDA
4. REVIEW OF DRAFT EOI DOCUMENT
5. DISCUSSION
6. OTHER MATTERS FOR DISCUSSION
7. WAY FORWARD WITH REGARD TO EOI DOCUMENT
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DRAFT

REQUEST FOR EXPRESSION OF INTEREST FOR PPP OPPORTUNITIES

REQUEST FOR EXPRESSION OF INTEREST ISSUED BY THE GAUTENG TOURISM AUTHORITY (OPERATING AS A TRADING ENTITY WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT) FOR MARKET TESTING FOR THE DEVELOPMENT OF ONE OR MORE PPPS IN TERMS OF CERTAIN ELEMENTS OF THE OFFERINGS AT STERKFORTEIN AND MAROPENG IN THE CRADLE OF HUMANKIND WORLD HERITAGE SITE

Released:
(Insert date)

Submission Close:
(Insert date)

Queries in writing to:
Mr Mags Pillay
mags@gauteng.net

IMPORTANT NOTICE

The Gauteng Tourism Authority (“GTA”) has produced this Expression of Interest (“EOI”) with no representation or warranty, express or implied, made, or responsibility of any kind accepted by GTA, with respect to the accuracy and completeness of the information set forth in this EOI. Any liability in connection with the use by any interested party of the information contained in this EOI is hereby disclaimed.

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This EOI is not a procurement document.

return on investment. In return, the private party will meet agreed environmental, developmental, operating and broad-based BEE obligations and pay a concession fee to GTA. At the end of the agreement term, the facility will revert back to the GTA.

- 2.9 If sufficient interest is indicated to the GTA by the responses submitted to this EOI, a bid process will follow and all parties that submitted an EOI will be invited to bid, together with any other qualified organizations that chose not to respond to this EOI.
- 2.10 GTA is following the PPP feasibility and procurement processes as set out in the *National Treasury's PPP Toolkit for Tourism*. The toolkit can be downloaded from www.ppp.gov.za.

3. GTA's vision , mission and key strategic objectives:

- 3.1 The Gauteng Tourism Authority (GTA) is founded by the Gauteng Tourism Act, no. 10 of 2001, which prescribes the function of the GTA as follows:

"To provide for the promotion and sustainable development of tourism in Gauteng; to establish the Gauteng Tourism Authority; to confer powers and functions and impose duties upon the Authority; to establish the Tourism Advisory Committee; to establish a tourism development fund; to provide for registration of tourist guides, tour operators, couriers, accredited training providers in the tourism industry, hotels, conference centres, restaurants, designated tourism amenities and other accommodation establishments and possible future functions relating to these categories; and to provide for matters incidental thereto."

- 3.2 GTA's Vision and Mission:

GTA was established as a trading entity in line with Treasury Regulation 19.4 to the PFMA and is currently operating under the auspices of the Gauteng Department of Economic Development ("DED") The core mandate of GTA is to develop, promote, coordinate and facilitate responsible tourism in the Gauteng global city region.

- 3.2 The GTA's operations are totally guided by its vision statement which is to position Gauteng as a globally competitive destination of choice.

- 3.3 GTA's strategic objectives are as follows:

- create and promote a world class tourist destination;
- contribute towards tourism sector industry development;
- facilitate industry coordination and cooperative governance;
- foster a responsible and sustainable tourism industry;
- implement progressive cooperative governance practices.

4. Articulation of GTA's Commercialisation Strategy and Objectives:

- 4.1 Global conventions and programmes alone are not enough to ensure continued existence of and sufficient funding for protected areas. In times

- (viii) Tourism promotion; and
- (ix) Further biodiversity protection and conservation.

5. GTA's, through DED's, legal rights to enter into PPP Agreements for the development and commercial elements in the COH WHS:

5.1 The following Act (World Heritage Convention Act, 1999 (Act No. 49 of 1999) protects the environment in the COH WHS area as indicated.

5.2 The Act provides for:

- (a) The cultural and environmental protection and sustainable development of, and related activities within, World Heritage Sites and giving effect to the values of the Convention
- (b) make the Convention part of South African domestic law and to create a framework to ensure that the Convention and the *Operational Guidelines for the Implementation of the World Heritage Convention* are effectively implemented in the Republic, subject to the Constitution and the provisions of this Act;
- (c) promote, manage, oversee, market and facilitate tourism and related development in connection with World Heritage Sites in accordance with applicable law, the Convention and the Operational Guidelines in such a way that the cultural and ecological integrity is maintained;
- (d) ensure that everything done in terms of this Act conforms with the obligations of the Republic in terms of the Convention and the Operational Guidelines;
- (e) ensure the identification and transmission to future generations of the cultural and natural heritage of the Republic; ??? not sure that this should be included
- (f) ensure that effective and active measures are taken for the protection, conservation and presentation of the cultural and natural heritage of the Republic;
- (g) encourage investment and innovation in connection with World Heritage Sites;
- (h) encourage job creation in connection with World Heritage Sites;
- (i) promote the development of culturally, environmentally and, if applicable, economically sustainable projects in connection with World Heritage Sites; and
- (j) promote empowerment and advancement of historically disadvantaged persons in projects related to World Heritage Sites.

5.3 The act allows the Management Authority of the COH WHS (under GTA) to carry out or allow –

- (i) commercial activity on the site, aimed at raising revenue;
- (ii) allow any activity that may not negatively affect the survival of any species in or significantly disrupt the integrity of the ecological systems of the site;
- (iii) any activity carried out lawfully in terms of any agreement which exist when this section takes effect may continue until the date of termination of such agreement, provided that the agreement may not be extended or varied so as to expire after

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Comment [m1]: Well this is part of the mandate of the WHCA

6.43 Wits is the owner of the Sterkfontein site as well as much of the intellectual property associated with the site and GPG is the owner of the ICC / Maropeng Visitor Centre site as well as the intellectual property associated with the COH WHS. The two facilities are currently managed by GPG and Wits jointly.

6.54 The key imperative of the Sterkfontein and Maropeng visitor facilities and museums is to promote South African cultural and national heritage, along with a sense of pride in Africa and South Africa specifically, in terms of the World Heritage Convention Act, especially in terms of the importance that Africa has played in the story of our common ancestry.

6.65 Maropeng is the primary exhibition centre for the COH WHS, where some of the most important and prolific discoveries of the evidence of human origins can be found. It is a place of learning and enjoyment, a place of pilgrimage and exploration for diverse audiences to better understand our past and contemplate our uncertain future.

6.76 Sterkfontein provides an authentic cave experience and is the primary hominid exhibition centre with a more scientific focus on the story of human evolution. Both these facilities provide a platform for the celebration of the African origins of humankind, our common humanity, the impact of humanity on the environment and its social context.

6.87 The objective in concessioning the facilities is to provide access to and interpretation of the world heritage site for South Africa, African and international visitors with a story line that celebrates the African origins of humankind and which has educational, scientific and cultural value and accuracy, and which is entertaining and highly interactive. The development of tourism to the World Heritage site is also a means of leveraging and enhancing economic and social development in an economically challenged area of Gauteng province.

6.98 The Interpretation Centre Complex (ICC) or Maropeng Visitor Centre and the revamped Sterkfontein facility were opened to the public in December and October 2005 respectively. The PPP agreement is no longer in existence since the withdrawal of the major shareholder in MAL in July 2010 but the facility is still running with GPG and Wits jointly managing the project.

6.109 In addition to the investment in the construction of the ICC facilities, the GPG has invested an amount in excess of R250 million in roads, bulk and other infrastructure.

6.119 It is clear that the COH WHS project represents a strategic asset for the province, the nation and indeed the world. The historical and cultural underpinnings of the site make it a key educational tool for the explanation and interpretation of the origins of humankind and our common ancestry which can be traced back to the African continent. This globally unique site provides a platform for further explanation of the human condition due to its profound scientific worth. Therefore the GPG has considerable interest in the retention of its importance and adhering to obligations set forth by UNESCO.

(outside the main exhibition area at Maropeng) as well as the picnic sites soon to be established at Maropeng;

- (ii) Management of Hominid House, the learner facility at Maropeng;
- (iii) Management of the Amphitheatre at Maropeng ;
- (iv)The development of disabled facilities and children's activities at Maropeng and Sterkfontein.

8. Elements of the Project to be made Available:

The following will be made available or is currently in existence at the two sites:

- (i) Functional restaurants at Sterkfontein and Maropeng; an existing Coffee Kiosk facility outside the main exhibition area at Maropeng that is currently non-functional; picnic sites to be built at Maropeng
- (ii) Maropeng Hotel;
- (iii)A functional and currently operating learner facility at Maropeng (Hominid House);
- (iv)A 5000 seat amphitheater facility at Maropeng with the potential to host musical events and other attractions to increase footfall;
- (v) The development of disabled facilities and children's activities at Maropeng and Sterkfontein.

TAKE NOTE:

~~Responders are invited to submit an EOI on each of the foregoing individually, or on such pairing of the elements as are of interest to the Responder.~~

~~In addition to this, the following upgrades are currently completed or underway at Sterkfontein and Maropeng, amongst others:~~

- (a) The upgrading and additions to the exhibitions at Sterkfontein and Maropeng, including the installation of a 'virtual' laboratory where the public can view scientists at work on original fossils;
- (b) The external upgrades at Maropeng including the development of picnic sites, additional rooms at the hotel, the upgrading of the learner accommodation, amphitheater and the development of a coffee kiosk;
- (c) The installation of a fossil casting facility at the Sterkfontein site employing local community members to undertake fossil casting;
- (d) The promotion of locally produced craft through the 'Hands that Rock the Cradle' project with an outlet situated at the Maropeng marketplace;
- (e) The construction of a bird hide and 2,6km nature walk at Maropeng that winds through the indigenous grassland environment with the opportunity to see rare bird species such as the Cape Vulture and many other species;

- (iii) Tourism promotion;
- (iv) Optimisation of state land; and
- (v) Biodiversity protection and conservation;-
- (v)(vi) Overall promotion of the COH WHS.

12. ENVIRONMENTAL COMPLIANCE; BLACK ECONOMIC EMPOWERMENT AND SOCIAL DEVELOPMENT

12.1 It is intended that by GTA entering into a PPP with a private party, GTA will be able to generate additional revenue through concession fees paid to GTA by the private party, while enabling GTA to focus on its core activity of tourism and the management of the COH WHS. It is intended that the project will be developed by the private parties in compliance with strict environmental standards set by GTA.

12.2 In keeping with GTA's objectives, particular attention will be paid to the implementation of Broad-Based Black Economic Empowerment ("BEE"), particularly those from local communities adjacent to the demarcated area. In this regard, GTA will be required that interested Parties confirm their willingness to promote BEE by entering into an agreement with the local community in terms of community social development as well as employment of suitably qualified local community members.

13. BRIEFING SESSION AND SITE VISIT

13.1 A non-compulsory tour of the Maropeng and Sterkfontein facilities will be undertaken on _____. Potential Responders shall gather at the entrance to Maropeng by 09h45 on that day. Copies of the last three Annual Reports of the Cradle of Humankind will be available to attendees.

13.2 A briefing session will be held at:

Address:

Date:

Time:

13.3 To attend, interested parties should register by: (insert date)

Contact person: Mr Mags Pillay

E-mail: mags@gauteng.net

Tel: 011 085 2482

Cell: 083 647 5088

- 15.7 ~~The~~ Company's profile and experience in the tourism industry including a statement as to the experience and expertise of the Responder in terms of each element or combination of elements as to which a Response is being submitted;
- 15.8 Names and locations of current operations;
- 15.9 Market segment(s);
- 15.10 Number of years in operation;
- 15.11 Number of visitors per year for last three years (if possible);
- 15.12 Annual turnover per year for last three years (if possible);
- 15.13 Black economic empowerment profile measured by the Tourism BEE scorecard (available on www.dea.gov.za). If a corporation, an original copy of its B-BBEE Certificate issued by an accredited empowerment rating entity; if a potential consortium, an original copy of the B-BBEE Certificate issued by an accredited empowerment rating entity of the potential lead member of such consortium plus the B-BBEE certificates for each potential member of the consortium;
- 15.14 Memberships/affiliations;
- 15.15 If a corporation, an original copy of its Tax Clearance Certificate; if a potential consortium, an original copy of the Tax Clearance Certificate for the potential lead member thereof plus the Tax Clearance Certificates for each potential member of such consortium;
- 15.16 If a corporation, certified copies of the annual report filed for such corporation for the last three years; if a potential consortium, certified copies of the annual report filed for the potential lead member of such consortium for the last three years plus the annual reports filed for each potential member of the consortium for the last three years; and
- 15.17 A signed copy of the below-listed declaration signed by a duly-authorized member of a Responder that is a firm, or, if a potential consortium, signed by a duly-authorized person representing the potential lead firm and further signed by duly-authorized representatives of the other potential members of the consortium:

"I, _____, on behalf of _____ do hereby affirm that I understand that operation of one or more elements of the COH WHS facilities located at Maropeng and Sterkfontein as a PPP means that the criteria for adjudicating any subsequent tender conducted by WITS and the Province of Gauteng will be in terms of National Treasury Regulation 16 and the *PPP Manual (2004)* issued by National Treasury."

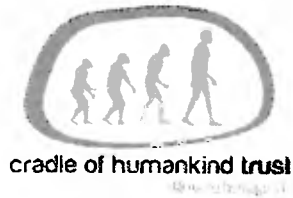
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ABBREVIATIONS

BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
CEO	Chief Executive Officer for Gauteng Tourism Authority/ Cradle of Humankind World Heritage Site
DED	Gauteng Department of Economic Development
COH WHS	Cradle of Humankind World Heritage Site
GTA	Gauteng Tourism Authority
GPG	Gauteng Provincial Government
MEC	Member of the Executive Council
PPP	Public-Private Partnership
SMMEs	Small, medium and micro enterprises
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WHS	World Heritage Site



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REQUEST FOR EXPRESSION OF INTEREST FOR PPP OPPORTUNITIES

REQUEST FOR EXPRESSION OF INTEREST ISSUED BY THE GAUTENG TOURISM AUTHORITY (OPERATING AS A TRADING ENTITY WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT) FOR MARKET TESTING FOR THE DEVELOPMENT OF ONE OR MORE PPPS IN TERMS OF CERTAIN ELEMENTS OF THE OFFERINGS AT STERKFRONTEIN AND MAROPENG IN THE CRADLE OF HUMANKIND WORLD HERITAGE SITE

Released:
(Insert date)

Submission Close:
(Insert date)

Queries in writing to:
Mr Mags Pillay
mags@gauteng.net

Expression of Interest –Market Testing for Development of one or more PPPs at Sterkfontein and Maropeng in the Cradle of Humankind World Heritage Site

1

1. Important General Notes:

- 1.1 The Gauteng Tourism Authority (“GTA”) requests Expressions of Interest (“EOIs”) for the future management, commercial use and development of certain identified visitor facilities at the Maropeng and Sterkfontein sites in the Cradle of Humankind World Heritage Site (“COH WHS) through a possible Public Private Partnership (“PPP”).
- 1.2 This request is issued by the GTA in accordance with guidelines for PPPs contained in the *National Treasury’s PPP Toolkit for Tourism*, and in compliance with Treasury Regulations 16 and 16A issued in terms of the Public Finance Management Act (“PFMA”).
- 1.3 GTA makes no guarantees about and takes no responsibility for the accuracy and completeness of the information contained in this EOI request and disclaims any liability for any consequences which may result from the use of the information by any person or firm.
- 1.4 This request for EOI is not intended to serve as the basis for an investment decision. Each recipient is expected to make an independent investigation in terms of all information provided herein and to obtain the necessary independent advice before submitting a response to this request for EOI.
- 1.5 GTA may change or replace any information contained in this request for an EOI, without giving any prior notice or providing any reason.

2. The purpose and limits of the EOI process:

- 2.1 GTA is currently investigating the desirability of issuing tenders for the provision of services in terms of various visitor facilities situated within the COH WHS.
- 2.2 As part of establishing the market interest for these PPP opportunities, the GTA invites prospective service providers to submit a response to this EOI in the format described in this document.
- 2.3 The purpose of this EOI is solely to assess the level and type of market interest in these prospective undertakings and in order to enable GTA to make an informed decision about whether to proceed with them. GTA reserves the right not to proceed any further with any proposed PPP.
- 2.4 If sufficient market interest is displayed for a particular PPP opportunity and GTA decides to tender for a PPP, GTA will use the EOI information received to compile and issue bid documentation in accordance with applicable legislation.
- 2.5 GTA reserves the right to request any interested party that submits a response to this EOI proposal to clarify any of its submissions.
- 2.6 Submitting an EOI does not constitute a bid. No interested party will be bound by anything contained in the EOI submission. The information in the EOI will be used solely for GTA to complete its market appraisal and to prepare bid documentation if it decides to proceed with any PPP.
- 2.7 The purpose of this EOI is to identify business opportunities within the COH WHS, which may best be provided by the private sector and which demonstrate value-for-money to the GTA.
- 2.8 In a typical PPP agreement, the private party is granted rights to develop, maintain, operate and commercially use certain identified tourism facilities on state conservation land for a period likely to provide a fair

of fiscal austerity, tightening of government budgets, especially in developing countries which are home to much of the world's biodiversity – traditional funding resources are increasingly under threat. Innovative alternatives to these traditional sources are needed in order to secure long term viability.

- 4.2 In order to encourage greater efficiency in the delivery of public services, the Cabinet in April 1997 approved the establishment of an interdepartmental task team chaired by the Department of Finance, to explore how PPPs could improve infrastructure and service delivery efficiency and make more efficient use of under- utilized state assets. The key objectives of this programme were to develop a package of cross-sectoral and inter-institutional policies and legislative and regulatory reform.
- 4.2 Currently the DED is articulating the need for GTA to prepare for a lesser dependence on state funding, while increasing existing operational efficiencies, which could be aimed at funding essential conservation requirements. That does not imply that GTA has to be independent of the State but rather that collective funding sources (i.e. state funding, private donations, tourism activities, commercialization and leveraging of private funds) be able to support the businesses run by GTA. Sustainable tourism development depends on a partnership and balance between social, technical, economical, the environment and political values and benefits.
- 4.3 Following the above, significant developments have been taking place in the PPP Tourism area of which the COH WHS project features in Gauteng. Accordingly, GTA has a strategy to learn and benefit from these former projects by:
 - (i) Incorporating the experience and specialist skills acquired;
 - (ii) Lessons learnt from the implementation of PPPs; and
 - (iii) Innovative application of legislative requirements.
- 4.4 The objective of the strategy is to ensure that GTA has the fundamentals, including capacity, in place for managing existing PPPs and for entering into new PPPs successfully. In addition, GTA has a responsibility towards creating tourism infrastructure on a long term basis; hence such infrastructure will enable South Africa to compete with global tourism destinations like Brazil, Thailand etc. Commercialisation through PPPs provides GTA the opportunity to achieve this goal.
- 4.5 High-level commercialisation objectives for GTA include the following:
 - (i) Revenue Generation;
 - (ii) Loss minimization or savings on existing operations;
 - (iii) Optimal use of under-performing assets;
 - (iv) Job creation;
 - (v) Broad-based Black Economic Empowerment;
 - (vi) Infrastructure upgrades;
 - (vii) Upgrade/development of historical and/or cultural sites;

the original intended expiry date without the consent of the Member of the Executive Council (“MEC”).

5.4 The Management Authority (under the GTA) also has the functions which include inter alia the responsibility to:

- (i) protect, conserve and control all protected areas under its management including all biodiversity found therein;
- (ii) to carry out any development and construct or erect any works necessary for the management of the area;
- (iii) take reasonable steps to ensure the security and well-being of visitors and staff;
- (iv) provide accommodation and facilities for visitors and staff;
- (v) carry on any business or trade or provide other services for the convenience of visitors and staff;
- (vi) determine and collect fees for entry or stay in the area or for any service provided by it;
- (vii) authorise any person, subject to such conditions and the payment of such fees as it may determine, to carry on any business or trade or provide any services which GTA may carry on or provide in the area;
- (viii) the development of commercial facilities on the site would amount to the provision of facilities for visitors and GTA shall specifically provide such authorization;
- (ix) the GTA has the right to acquire and dispose of any rights in respect of immovable property, or hire or let any property for purposes of performing any of its function under ~~sin~~ any protected area placed under its management and control.

6. Background

6.1 The Cradle of Humankind World Heritage Site (“COH WHS”) is an area that covers approximately 47 000 hectares and was declared a World Heritage Site (“WHS”) by the United Nations Education, Scientific and Cultural Organisation (“UNESCO”) in 1999.

6.2 In October 2003, after a procurement process conducted in terms of PFMA Regulation 16, a PPP agreement was executed between Concessor Parties¹ and Maropeng a’ Afrika Leisure (Pty) Ltd (MAL), for the construction and operation of visitor centres at Maropeng and the Sterkfontein Caves.

6.32 The Maropeng visitor centre includes a 2,500 m² exhibition centre, a 5,000 person capacity outdoor amphitheatre, conferencing and banqueting facilities with a capacity of up to 500 people, an upmarket restaurant, two cafeterias, a 24 bedroom, 4 star boutique hotel, a 120 bed learner accommodation facility and a retail outlet. Maropeng also operates the visitor centre at the Sterkfontein Caves site, which offers an upgraded specialist exhibition centre and cave tour, public viewing platforms for viewing of the excavations, a fossil preparation laboratory, 100 seat conference facilities and a restaurant.

¹ The Concessor Parties were the COH WHS Management Authority, the University of the Witwatersrand, the Cradle of Humankind Trust and Blue IO Investment Holdings (Pty) Ltd.

6.124 In view of the importance of Maropeng and Sterkfontein, the site is able to offer a valuable mechanism through which tourism may be promoted, employment created and a value proposition formulated. In addition, the site also gives a unique experience to visitors in an environment that is sensitive to the fauna, flora and certainly the objectives of the COH WHS.

6.132 Therefore there is a need to ensure that mechanisms are put in place to create one or more viable business entities that will guarantee sustainability and increase visitation to the site through the improvement and optimally managed visitor centres of Sterkfontein and Maropeng.

6.143 The envisaged development of certain facilities at the visitor centres on the COH WHS site is intended to address the:

- 1) **Upgrading and optimal utilization of under-performing tourism facilities:** This will involve leasing and/or concessioning to the private sector of the operation and maintenance of visitor facilities in the COH WHS. It will also entail the development of the leisure component at the visitor facilities, on adjacent sites. This is specifically intended to enhance the utilisation of the visitor facilities and the broader COH WHS environment's inherent development potential for tourism.
- 2) **Conservation:** The on-going conservation of the biological assets, together with the reserve's strategic location and its underlying attractions.
- 3) **Revenue generation:** The project aims to increase the visitor numbers to the visitor facilities and broader COH WHS nature reserve and adjacent sites, and thereby to increase the amount of revenue generated area-wide. Such increased revenue would be reinvested in the conservation and tourism development functions within the province. This will result in a reduced burden on the public sector to fund recurrent costs in the heritage site.
- 4) **Black economic empowerment (BEE):** The aim is to utilise this opportunity for the development of tourism related infrastructure and facilities as a means of supporting BEE. In this regard the use of partnerships between well-established tourism developers/operators and emerging BEE developers/operators or investors should be pursued. Linkages with small businesses in the area and an affirmative procurement policy for the outsourcing of contracts to such small businesses will be promoted.

Comment [m2]: This should not be in here.

Comment [m3]: Should we not say that this will be reinvested in scientific research and community based projects.

7. Proposed Indicative Commercial Activities

The specifications for this undertaking are driven by the objectives of this initiative which include aspects as set out below.

Service providers or consortia with relevant and appropriate skills, experience and empowerment profiles are invited to submit provide EOI proposals submissions to the COH WHS, Management Authority (MA), Gauteng Department of Economic Development (DED) for the development of one or more PPPs for the following elements at the Sterkfontein and Maropeng visitor facilities in the COH WHS:

- (i) The management of all the food and beverage at the Sterkfontein restaurant, Tumulus restaurant at Maropeng, the Maropeng Hotel, the Coffee Kiosk

(outside the main exhibition area at Maropeng) as well as the picnic sites soon to be established at Maropeng;

- (ii) Management of Hominid House, the learner facility at Maropeng;
- (iii) Management of the Amphitheatre at Maropeng ;
- (iv) The development of disabled facilities and children's activities at Maropeng and Sterkfontein.

8. Elements of the Project to be made available:

The following will be made available or is currently in existence at the two sites:

- (i) Functional restaurants at Sterkfontein and Maropeng; an existing Coffee Kiosk facility outside the main exhibition area at Maropeng that is currently non-functional; picnic sites to be built at Maropeng
- (ii) Maropeng Hotel;
- (iii) A functional and currently operating learner facility at Maropeng (Hominid House);
- (iv) A 5000 seat amphitheater facility at Maropeng with the potential to host musical events and other attractions to increase footfall;
- (v) The development of disabled facilities and children's activities at Maropeng and Sterkfontein.

TAKE NOTE:

Responders are invited to submit an EOI on each of the foregoing individually, or on such pairing of the elements as are of interest to the Responder.

In addition to this, the following upgrades are currently completed or underway at Sterkfontein and Maropeng, amongst others:

- (a) The upgrading and additions to the exhibitions at Sterkfontein and Maropeng, including the installation of a 'virtual' laboratory where the public can view scientists at work on original fossils; ;
- (b) The external upgrades at Maropeng including the development of picnic sites, additional rooms at the hotel, the upgrading of the learner accommodation, amphitheater and the development of a coffee kiosk;
- (c) The installation of a fossil casting facility at the Sterkfontein site employing local community members to undertake fossil casting;
- (d) The promotion of locally produced craft through the 'Hands that Rock the Cradle' project with an outlet situated at the Maropeng marketplace;
- (e) The construction of a bird hide and 2,6km nature walk at Maropeng that winds through the indigenous grassland environment with the opportunity to see rare bird species such as the Cape Vulture and many other species;

(f) The establishment of a network of mountain bike trails that will crisscross the World Heritage Site with the implementation of phase one (15km) in the current year;

(g) The launch of further exciting finds in the COH WHS and the continued rotational display of original fossils at Maropeng.

9. All potential Responders should take note:

The following is expected in return for the outsourcing of these elements or combinations thereof of the visitor facilities:

- a) Payment of a concession fee;
- b) Agreement to a revenue sharing scheme;
- c) Contribution to an overall marketing budget;
- d) Support for the overall objectives of the Cradle of Humankind World Heritage Site in terms of the interpretation for the site as outlined in the WHCA and the Operational Guidelines for the Implementation of the World heritage Convention;
- e) Facilities and management of disabled visitors; and
- f) Promotion of all elements related to the COH WHS.

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All of which would be incorporated into a duly negotiated and executed PPP Agreement.

10. Indicative PPP Project Type

10.1 The envisaged initiative will be a type of PPP arrangement attracting private skills and investment.

10.2 A turnkey contract by GPG is not envisaged; rather it is contemplated that individual contracts will be entered into with the private sector, where the operator will pay a concession fee to the GTA, and a percentage of gross revenue that will contribute towards the financial sustainability strategy for the project area.

11. Value for Money Objectives

The value-for-money objectives for the project are aligned with GTA's objectives. Setting these objectives at a project's inception phase is vital as they provide the benchmarks of any feasibility study or procurement phases that may ensue. During the management of the PPP agreement they are used to measure the success of the project.

The value-for-money objectives for the project;

- (i) Revenue generation;
- (ii) BEE, job creation and community development;

- 6.43 Wits is the owner of the Sterkfontein site as well as much of the intellectual property associated with the site and GPG is the owner of the ICC / Maropeng Visitor Centre site as well as the intellectual property associated with the COH WHS. The two facilities are currently managed by GPG and Wits jointly.
- 6.54 The key imperative of the Sterkfontein and Maropeng visitor facilities and museums is to promote South African cultural and national heritage, along with a sense of pride in Africa and South Africa specifically, in terms of the World Heritage Convention Act, especially in terms of the importance that Africa has played in the story of our common ancestry.
- 6.65 Maropeng is the primary exhibition centre for the COH WHS, where some of the most important and prolific discoveries of the evidence of human origins can be found. It is a place of learning and enjoyment, a place of pilgrimage and exploration for diverse audiences to better understand our past and contemplate our uncertain future.
- 6.76 Sterkfontein provides an authentic cave experience and is the primary hominid exhibition centre with a more scientific focus on the story of human evolution. Both these facilities provide a platform for the celebration of the African origins of humankind, our common humanity, the impact of humanity on the environment and its social context.
- 6.87 The objective in concessioning the facilities is to provide access to and interpretation of the world heritage site for South Africa, African and international visitors with a story line that celebrates the African origins of humankind and which has educational, scientific and cultural value and accuracy, and which is entertaining and highly interactive. The development of tourism to the World Heritage site is also a means of leveraging and enhancing economic and social development in an economically challenged area of Gauteng province.
- 6.98 The Interpretation Centre Complex (ICC) or Maropeng Visitor Centre and the revamped Sterkfontein facility were opened to the public in December and October 2005 respectively. The PPP agreement is no longer in existence since the withdrawal of the major shareholder in MAL in July 2010 but the facility is still running with GPG and Wits jointly managing the project.
- 6.109 In addition to the investment in the construction of the ICC facilities, the GPG has invested an amount in excess of R250 million in roads, bulk and other infrastructure.
- 6.110 It is clear that the COH WHS project represents a strategic asset for the province, the nation and indeed the world. The historical and cultural underpinnings of the site make it a key educational tool for the explanation and interpretation of the origins of humankind and our common ancestry which can be traced back to the African continent. This globally unique site provides a platform for further explanation of the human condition due to its profound scientific worth. Therefore the GPG has considerable interest in the retention of its importance and adhering to obligations set forth by UNESCO.

- (iii) Tourism promotion;
- (iv) Optimisation of state land; and
- (v) Biodiversity protection and conservation;
- (+)(vi) Overall promotion of the COH WHS.

12. ENVIRONMENTAL COMPLIANCE; BLACK ECONOMIC EMPOWERMENT AND SOCIAL DEVELOPMENT

12.1 It is intended that by GTA entering into a PPP with a private party, GTA will be able to generate additional revenue through concession fees paid to GTA by the private party, while enabling GTA to focus on its core activity of tourism and the management of the COH WHS. It is intended that the project will be developed by the private parties in compliance with strict environmental standards set by GTA.

12.2 In keeping with GTA's objectives, particular attention will be paid to the implementation of Broad-Based Black Economic Empowerment ("BEE"), particularly those from local communities adjacent to the demarcated area. In this regard, GTA will be required that interested Parties confirm their willingness to promote BEE by entering into an agreement with the local community in terms of community social development as well as employment of suitably qualified local community members.

13. BRIEFING SESSION AND SITE VISIT

13.1 A non-compulsory tour of the Maropeng and Sterkfontein facilities will be undertaken on _____. Potential Responders shall gather at the entrance to Maropeng by 09h45 on that day. Copies of the last three Annual Reports of the Cradle of Humankind will be available to attendees.

13.2 A briefing session will be held at:

Address:

Date:

Time:

13.3 To attend, interested parties should register by: (insert date)

Contact person: Mr Mags Pillay

E-mail: mags@gauteng.net

Tel: 011 085 2482

Cell: 083 647 5088

14. SUBMISSION REQUIREMENTS AND DATES

14.1

Responder/s should submit their EOI to:

Address:

Or

Email:

Formatted: Indent: Left: 1.27 cm

14.2 Enquiries can be sent to:

Name:

E-mail:

15. Required Format and Information for a Response to the EOI

PART A:

15.1 Entitling the form: **Expression of Interest:**

“Market Testing for the Development of one or more PPPs in terms of certain elements of the offerings at Sterkfontein and Maropeng”

15.2 Name of person submitting the Response to the EOI; Identifying the firm or proposed lead consortium member filing the Response.

15.3 Company name, and if a corporation, its corporate registration number; if a potential consortium, the corporate registration number of the proposed lead firm plus the corporate identification numbers of each proposed member of such potential consortium;

15.4 Title of person submitting the Response to the EOI and indication of that person’s position in the company, if applicable.

15.5 Contact details of the person or firm submitting the Response to the EOI:

- Postal address
- Telephone
- Fax
- Cell phone
- Email

15.6 Identification of the element or elements, as listed in Clauses 8 and 9, above as to which the Response is being submitted;

PART B:

- 15.7 ~~The Company's~~ profile and experience in the tourism industry including a statement as to the experience and expertise of the Responder in terms of each element or combination of elements as to which a Response is being submitted;
- 15.8 Names and locations of current operations;
- 15.9 Market segment(s);
- 15.10 Number of years in operation;
- 15.11 Number of visitors per year for last three years (if possible);
- 15.12 Annual turnover per year for last three years (if possible);
- 15.13 Black economic empowerment profile measured by the Tourism BEE scorecard (available on www.dea.gov.za). If a corporation, an original copy of its B-BBEE Certificate issued by an accredited empowerment rating entity; if a potential consortium, an original copy of the B-BBEE Certificate issued by an accredited empowerment rating entity of the potential lead member of such consortium plus the B-BBEE certificates for each potential member of the consortium;
- 15.14 Memberships/affiliations;
- 15.15 If a corporation, an original copy of its Tax Clearance Certificate; if a potential consortium, an original copy of the Tax Clearance Certificate for the potential lead member thereof plus the Tax Clearance Certificates for each potential member of such consortium;
- 15.16 If a corporation, certified copies of the annual report filed for such corporation for the last three years; if a potential consortium, certified copies of the annual report filed for the potential lead member of such consortium for the last three years plus the annual reports filed for each potential member of the consortium for the last three years; and
- 15.17 A signed copy of the below-listed declaration signed by a duly-authorized member of a Responder that is a firm, or, if a potential consortium, signed by a duly-authorized person representing the potential lead firm and further signed by duly-authorized representatives of the other potential members of the consortium:

"I, _____, on behalf of _____ do hereby affirm that I understand that operation of one or more elements of the COH WHS facilities located at Maropeng and Sterkfontein as a PPP means that the criteria for adjudicating any subsequent tender conducted by WITS and the Province of Gauteng will be in terms of National Treasury Regulation 16 and the *PPP Manual* (2004) issued by National Treasury."

Signed this _____ day of _____, 2013, at _____ South
Africa

(Signature)

PART C:

- 15.18 Interest in a PPP opportunity at COH WHS site.
- 15.18.1 Fully describe the type, scale and market segment of tourism operation you would be interested in.
 - 15.18.2 Are you interested as an investor or as an operator or both?
 - 15.18.3 What (ballpark) level of capital investment would you be prepared to consider?
 - 15.18.4 What (ballpark) period of PPP agreement would you deem viable?
- 15.19 What specific conditions would encourage you to bid?
- 15.20: What specific conditions would discourage you from bidding?

Tony Rubin

From: Anton Post
Sent: 17 August 2007 12:01 PM
To: tonyr@maropeng.co.za
Cc: Rudolf Kleingeld; Lindsay
Subject: Schedule 9 Audit Report
Importance: High

Hi Tony, Rudolf & Lindsay

In terms of Schedule 9 of the Concession Contract, we also have to report on Skills Development – see clause 5 of Schedule 9. I will also go through Schedule 9 with Tony.

The challenge is that we had to spend R 1 060 000 – yes R1,060 million – on training until 30 April 06. I have at various occasions stated that it is almost impossible to spend that kind of amount on training – and it was also minute at the meeting on 1 Nov 05 - but the MA did not want to concede to a lower amount. They did, however, agree to allow us to take the salaries into account of the staff we employed before the opening of Maropeng on 9 December 05.

I have on the attached spreadsheet indicated in yellow, the employees whose salaries should be accounted for on a monthly basis in order to determine the amount which was spent from the date of employment of each individual till end November 05.

For example, if employee A started on 1 March 05, and the cost to company was R 2000 per month, then his total cost for the months March 05 to end November 05, will be R2000 multiplied by 10 months = R 20000. So the total cost to co for every identified individual has to be added up in order to determine the total employment cost till end November.

In addition any formal training cost, which was done till end April 06, must be added in order to determine the total spent on skills development till end April 06. This was however not substantial and mainly First Aid and Fire Fighting. Most of the F & B training was on the job training.

NB, please have a look on both sheets of the attached document namely “active” and “terminations” – line 568 and again 767 on the “terminations” sheet - to include everyone.

Although Schedule 9 has not finally been approved and signed, I suggest you start compiling the report and data in order to have enough time to do all the reports. This will then be audited by PWC.

If you have any questions, please do not hesitate to contact me.

Kind regards

Anton Post

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Prepared by


SRK Consulting - Certified Electronic Signature

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Candice Maduray
Engineering Geologist

Reviewed by

SRK Consulting - Certified Electronic Signature

 **srk consulting**
446867-S141120-Report1
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William Joughin
Partner and Principle Mining Engineer

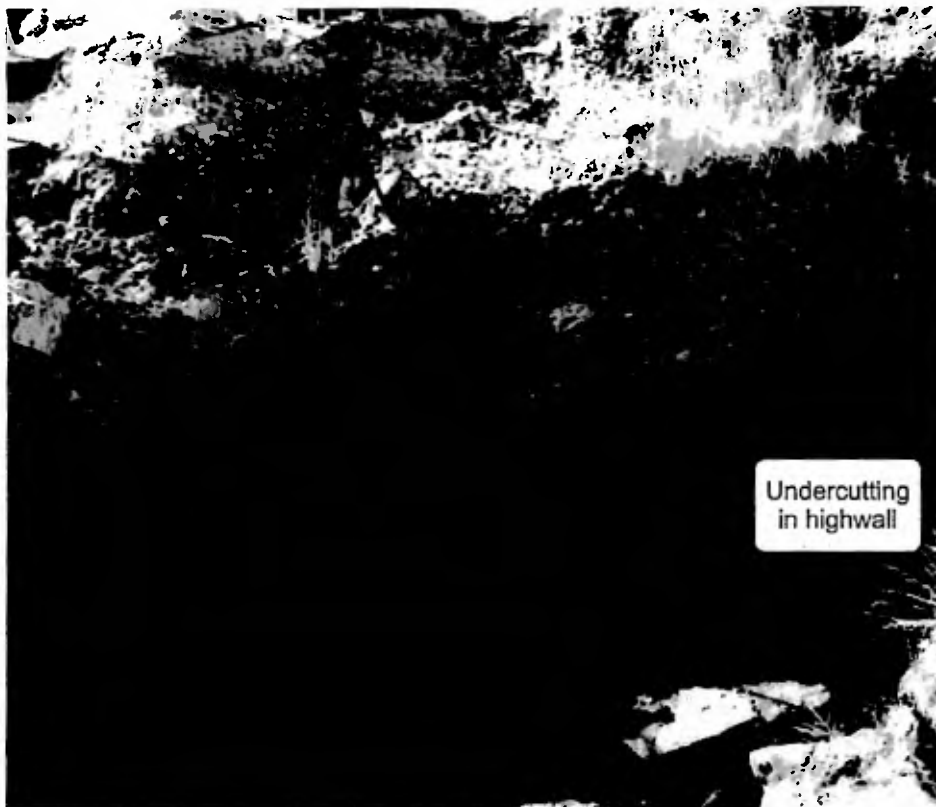


Figure 2-3: Decalcified breccia highwall (2)

Decalcified breccia walls are present throughout the excavation and are particular concern in areas annotated as 1 and 2 in the site plan. The control measures currently in place to prevent against impacts are listed as follows:

- No excavation is currently taking place under highwalls and staff are aware of the hazard
- Staff excavate from top to bottom which prevents overhanging material from becoming a hazard
- All excavation is carried out or supervised by experienced scientist or foreman

The following additional control measures recommended:

- Barricade area off while it is not necessary to work here (sign and cable)
- Terrace highwall with 1.5m high slopes and benches (45° slope angle) when excavating
- Harnesses to be worn when excavating from the top, while remediating the highwall to a terraced highwall
- Hard hat to be worn when excavating below breccia
- Safety talks to ensure awareness of the hazard
- Availability of the site safety report

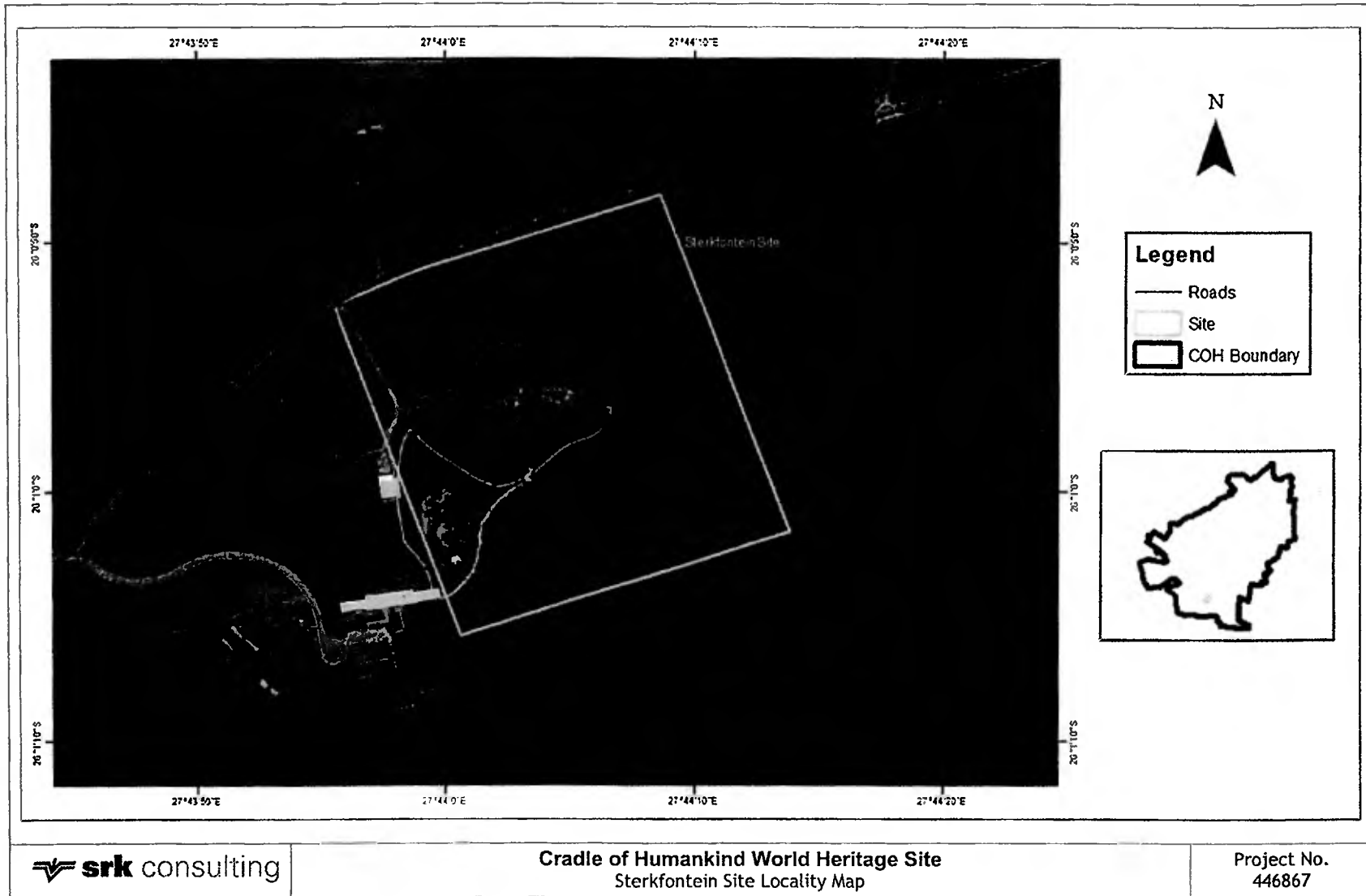


Figure 1-1 Locality plan of Sterkfontein

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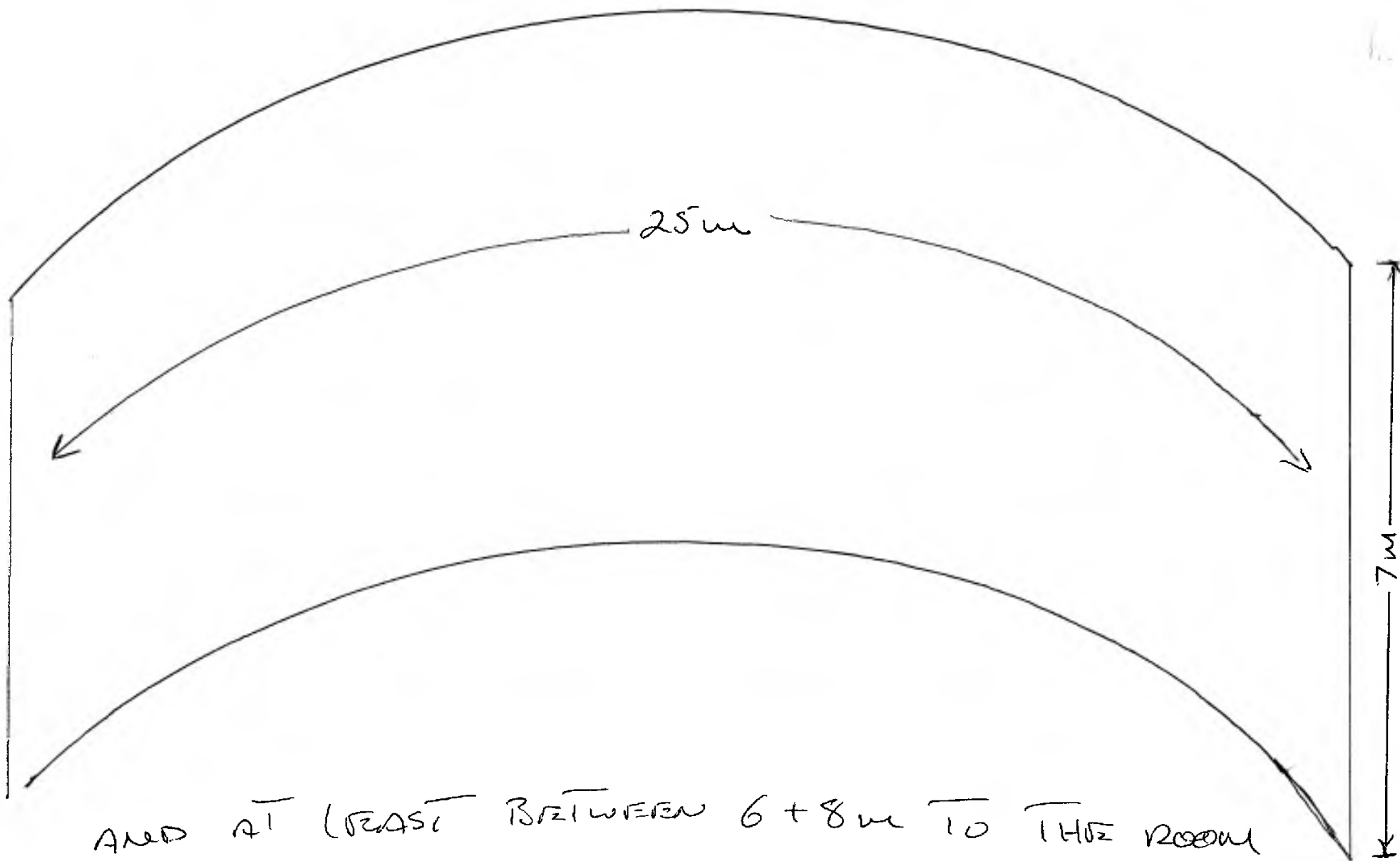
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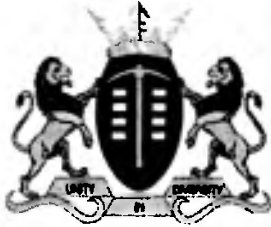
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AND AT LEAST BETWEEN 6 + 8m TO THE ROOM



cradle of humankind



STERKFORTEIN NATIONAL HERITAGE SITE INSPECTION JULY 2013: POST- INSPECTION MANAGEMENT MEETING

Meeting no. 1

16 October 2013

09:00 - 11:00

MAROPENG BOARD ROOM, MAROPENG, COH WHS

A G E N D A

1. WELCOME
2. ADOPTION OF AGENDA
3. INTRODUCTION TO MEETING: JULY 2013 INSPECTION REPORT
4. TOUR GUIDE TRAINING & MANAGEMENT
 - 4.1. Maropeng Guide Training Programme
 - 4.2. Registration of guides with CATHSSETA
 - 4.3. Tourist management inside Sterkfontein Caves
 - 4.4. Storyline: inclusion of mine kilns, mining history
 - 4.5. Casts provided to Guides
5. GRAFITTI
6. LIGHTING
7. FLOORING AND ROUTE PAST LAKE
8. MISSING BRICKWORK
9. SELLING OF "ORIGINAL FOSSILS" IN STERKFORTEIN SHOP
10. SITE SAFETY FINDINGS: HARD HATS, SIGNAGE, NO GO AREAS
11. WAY FORWARD & NEXT MEETING

Fossil Site Monitoring Report: Sterkfontein National Heritage Site: July 2013

Introduction

The Cradle of Humankind World Heritage Site (COH WHS), situated primarily within Gauteng province and extending into the North West province, is a declared World Heritage Site home to 12 palaeontological (and archaeological) sites proclaimed as National Heritage Sites in terms of the National Heritage Resources Act, 1999, as well as a number of palaeontological (and archaeological) sites of high scientific and heritage importance, covered by the provisions of section 35 of the National Heritage Resources Act, 1999.

As required by the National Heritage Resources Act, 1999, the National Heritage Sites and palaeontological sites require regular monitoring and inspection. The Management Authority (MA) for the Cradle of Humankind World Heritage Site as declared in terms of the World Heritage Convention Act, 1999, shares a joint responsibility with the South African Heritage Resources Agency (SAHRA) to manage, monitor, inspect, protect and conserve the National Heritage Sites and palaeontological sites situated within the declared boundaries of the COH WHS.

To this end, the MA and SAHRA conduct biannual inspections as part of the joint annual fossil site monitoring programme. This particular report for the Sterkfontein National Heritage Site forms part of the inspection report compiled for the first round of inspections of permitted palaeontological and permitted National Heritage Sites for the 2013/14 financial year, conducted by the MA and SAHRA between 8 and 12 July 2013.

Overview of Inspection and Reporting Methodology

Since 2011, the COH WHS MA has been in the process of reviewing and amending its monitoring, inspection and reporting methodology for the fossil sites within the COH WHS. To this end, the COH WHS MA has selected the IUCN's Management Effectiveness Tracking Tool (METT)¹ and has adapted the standard METT questionnaire and score sheet for fossil site management in the COH WHS.

The METT is one of two of the most widely used and adapted tools designed and developed to firstly, assess the effectiveness of management activities in protected areas, and secondly, to measure, track and monitor progress towards identified management activities. One of the primary benefits of METT is that it is a useful method of developing a baseline of management effectiveness, especially for tracking and monitoring progress over time, as well as its ability to rapidly identify areas / issues requiring management intervention.

As mentioned above, METT utilizes a questionnaire and scorecard approach. The scorecard covers 6 standard areas of management – context, planning, inputs, processes and outcomes. A series of standard questions / indicators are then assessed under each element. The questions and / or their focus can be adapted to suit a particular site / context, as has been the

¹ Adapted to include natural and cultural components during the assessment process

case for the COH WHS. This adaptability of METT again reinforces its usefulness as a tracking tool; however, it does limit its comparative analysis effectiveness.

The standardized METT makes provision for the questionnaire to be rated using a four point scale – from 0 to 3. Provision is also made in the standard questionnaire for “supplementary items” rated with a score of 1 – these supplementary items are designed to clarify issues, or allow for the elaboration of key issues within the questionnaire, e.g, allowing for the scorers to undertake a more indepth assessment into the context of the site being analysed. Once the questionnaire has been completed, the scores for each of the management elements are totaled, and a percentage of the possible overall score is obtained. The METT makes provision for the colour coding of the rating, allowing for the easy and rapid comparison of previous assessments, as well as for reporting purposes.

Table 1: METT Indicator Score Range and Meaning

Possible Range of Scores For Indicators / Questions	Meaning of Score Rating Determined by METT
0	Activities not sufficient to reflect change
1	Activities not adequate to sustain change
2	Activities reflect change
3	Activities sufficient

Table 2: METT Rating Range and Meaning

Percentage Achieved Against Possible Overall Score	Rating Determined By METT	Meaning of Rating Determined By METT
0 - 39	Poor	The indicators show that targets will not be achieved under existing management inputs
40 - 59	Fair	The indicators require additional management inputs for targets to be met.
60 - 79	Good	The indicators require minor inputs but are functioning well
80 - 100	Very Good	The indicators are operating well and no additional interventions are required

Table 3: Overview and Status of Sterkfontein National Heritage Site as Inspected in July 2013

Fossil sites	Average score	Status (since 2012)	Commentary based on inspection
Sterkfontein		Increased	<p>A distinction must be made between the scientific activities at Sterkfontein and the interpretative and tourism activities at the site. The score for Sterkfontein improved particularly because of the strong scores relating to scientific research and heritage site management, evident in the improvements relating to the curation and storage at the brick lab, and the researcher's commitment to undertaking excavation activities aimed at improving the site stability of the top excavations. The research proposal submitted by the permit holders shows that a variety of scientific activities will be carried out at Sterkfontein for the coming years.</p> <p>From a tourism perspective, the Sterkfontein Caves continue to be a tourist draw card. However, there are concerns regarding tourist management and interpretation. There are concerns regarding the tour guides – most notably, the training of the tour guides, particularly new guides, requires addressing, with a particular focus on the storyline that is being given to the public. An inclusion of the lime kilns and history of the lime mining would be beneficial. The evidence of increased graffiti inside the caves (including in the off limit areas in the Milner cavern) means that better tour group management is required. A decision must be reached between the tourism operator, the MA and SAHRA regarding the usage of rubber mats to denote the tourist path versus the international standard of concrete walkways with barriers seen in other show caves. It is suggested that the temporary path past the lake should be finalized and a proper barrier installed. It is also suggested that the lighting be changed to reduce the impact on the speleothems. The cavern off the Milner Cavern must be treated as a no go area.</p>

1 Introduction and Site Description

1.1 Site Locality and Description

SRK Consulting (SRK) undertook a visit to the Sterkfontein caves on 26 June 2012 as part of site safety inspections of the Cradle of Humankind World Heritage Site (CoH WHS). Currently Maropeng A' Afrika (Pty) Ltd is responsible for the management of the Sterkfontein caves. The visit comprised a thorough inspection of the cave in order to identify existing hazards that may affect visitors to the site. The team conducting the inspection included:

- William Joughin (SRK)
- Candice Maduray (SRK)
- Neo Matshediso (SRK)
- Denisha Govender (SRK)
- Mika Kubaye (SRK)
- Oveshlan Pillay (SRK)
- James Dutchman (SRK)
- George Brink (SRK)
- Lindsey Smith (CoH WHS Management Authority)
- Patricia (Tour Guide - Maropeng A' Afrika)

Discussions were also had with Jaques of Maropeng A' Afrika who is responsible for the maintenance at the Sterkfontein caves.

The Sterkfontein caves lies at the southern boundary of the Cradle of Humankind World Heritage Site as shown in Figure 1-1. The site comprises an extensive underground cave system lying beneath dolomitic hills. There is a large surface excavation in the fossiliferous breccia of the Sterkfontein 'Type Site', above the cave, which is represented by an elongate deposit toward the top of the Sterkfontein hill. The site is recognised for its hominin bearing breccia which was first discovered during limestone mining in the late 19th century.

The subterranean site is an important component of the Outstanding Universal Value of the Cradle of Humankind World Heritage Site, and is well-known for its very impressive, extensive dolomitic features and is open to the public for tours.

Currently there are no risk management plans in place with visitor safety being the responsibility of the tour operators, being Maropeng A' Afrika, although Maropeng A' Afrika do have a Safety Policy in place, which Policy was not available for review for this report. This report aims to highlight potential hazards as observed during the inspection providing a risk rating, and to propose potential control measures that will ensure safe working conditions and decrease the possibility of harm occurring.

1.2 Information Received

The following references were consulted in preparing the site inspection report:

- Updated Fossil Site Management plans for Sterkfontein Caves 2009 – 2013
- Fossil Site Inspection reports for Sterkfontein Caves 2009
- Fossil Site Inspection reports Sterkfontein Caves 2010
- SAHRA's Guidelines to Archaeological Permitting Policy
- SAHRA's Guidelines to Paleontological Permitting Policy

2 Hazard Identification and Description

Each site was systematically analysed, identifying each hazard and their potential impacts. A comprehensive risk assessment was carried out on the identified hazards. The results of the risk assessment are detailed as follows. Figure 2-1 provides a plan of the network of underground caves at Sterkfontein. Areas of interest as discussed as follows are shown on the plan as numbers.

The following hazards were identified and are described:

- Rockfalls through averts and cavities
- Low Roof
- Overhanging Chert
- Cables
- Old pathways
- Water seepage and wall instability
- Rockfalls from excavation above the cavern

2.1 Rockfalls through Averts and Cavities

Cavities occurring at the surface have been identified at various locations within the cave. These cavities, referred to as averts, create an opening into the cave into which loose rocks could potentially fall. Based on the number of loose rocks on the cave floor, and discussions with tour guides, the likelihood of this occurring is very low. Most of the averts are also protected by a surrounding fence, which will prevent any large rocks from falling through. The caves, however, are open to the public and tours are regularly conducted, therefore exposure to hazards is high and the possible consequences severe.

Currently control measures in place include:

- Daily inspections of caves before tours begin
- Entry gates are locked when tours are not in operation. .
- Area around averts are fenced off at surface
- Natural vegetation acts erosion prevention measure

Averts were observed in areas 1 and 3. Cavities occurring at the entrance of the cave as shown in Figure 2-2 and Figure 2-3 are not fenced off. Particularly after heavy rains, the risk of loose rocks falling into the cavity is increased. SRK suggests that daily inspections around accessible averts and openings should be carried out, and those that are fenced off should be inspected after rains by tour guides in order to ensure that there are no loose rocks lying at the opening.

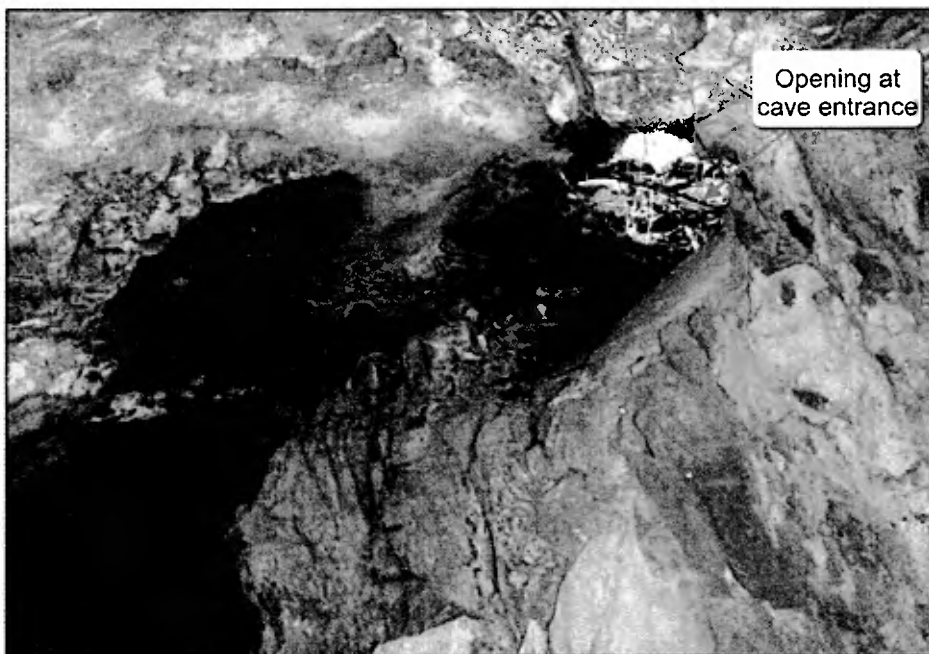


Figure 2-2: Opening at entrance to the cave (1)

2.2 Low Roof

Low roofs are noted at the entrance and the on exit of the caves as shown as numbers 1 and 7 respectively on detailed cave plan. The walls and roof comprise a very hard rock dolomite, and if one is to bump their head it may result in a mild to serious injury. Current control measures include the:

- First aid kit on site as aid in the case of injury
- Guides are educated on the risk issue
- Safety talks are given to visitors

Although a first aid kit is essential for the mitigation of an injury, preventative measures are necessary.

SRK suggests the use of hard hats be considered to decrease the severity and likelihood of head injuries occurring:

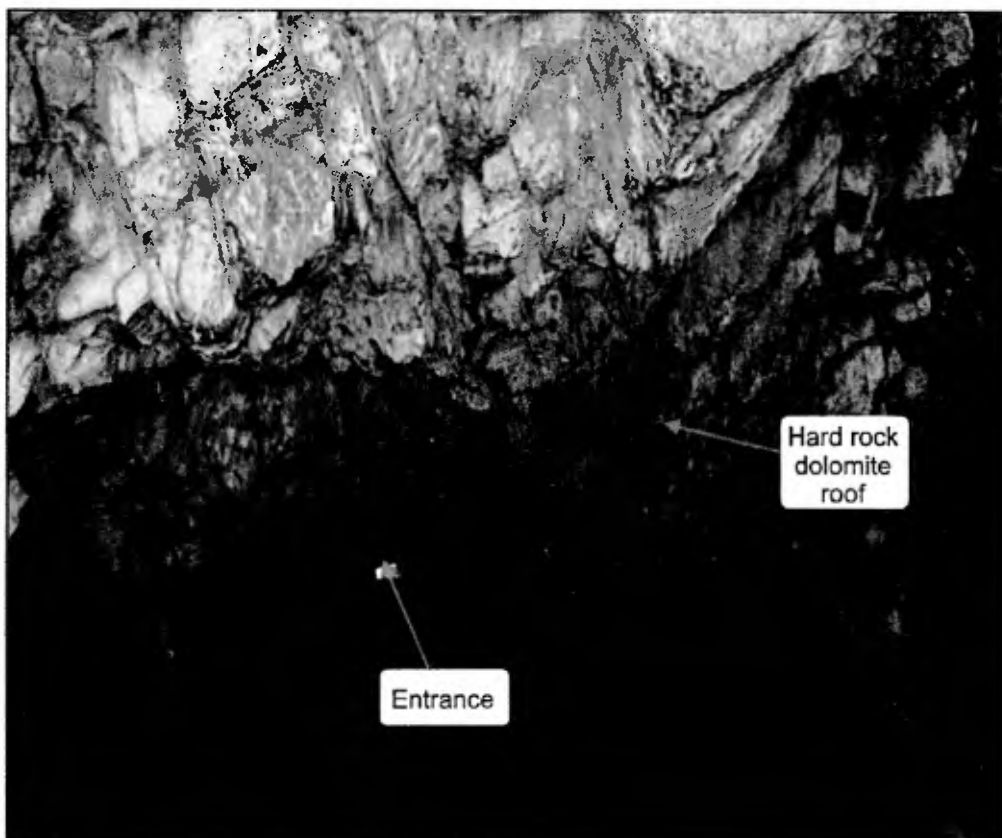


Figure 2-5: Visitor Entrance to Sterkfontein Cave

2.3 Tripping, slipping and falling

The presence of openings and averts allows for water to enter caves, which in turn results in floors becoming slippery. Statistically tripping and falling is the most frequently occurring accident during tours and minor injuries can occur. The tripping hazard is applicable throughout the cave, but particularly so at the staircase on entrance and the walkway into the cave as annotated as numbers 1 and 2 in the site plan.

Current control measures include:

- Warning signs
- Use of rubber mats

SCHEDULE 9

EMPOWERMENT

1. DEFINITIONS

1.1 Terms used in this Schedule which are defined in the Concession Contract to which it is attached shall have those same defined meanings when used in this Schedule.

1.2 In addition, in this Schedule the following words shall bear the meanings assigned to them here –

“Annual Empowerment Report” means each report that the Concessionaire is obliged to furnish in accordance with the provisions of clause 5.2.1;

“Black Enterprise” means an enterprise that is at least 50.1% beneficially owned by Black People and ~~in which~~where Black People have substantial management control (~~that is, the ability to direct or cause the direction of the business and management policies or practices of that enterprise).~~ Such beneficial ownership may be held directly or through other Black Enterprises. Ownership refers to economic interest while management refers to the membership of any board or similar governing body of the enterprise;

“Black People” means persons who have signed Annexure A, who are African, Coloured and Indian South African persons who are natural persons and;

- are citizens of the Republic of South Africa by birth or descent; or
- are citizens of the Republic of South Africa by naturalisation before the commencement of the Constitution of the Republic of South Africa, 1993; or
- became citizens of the Republic of South Africa after the commencement date of the Constitution of the Republic of South Africa, 1993, but who, but for the apartheid policy that had been in place prior to that date, would have been entitled to acquire citizenship by naturalisation prior to that date;

“Capital Expenditure”

means ~~any expenditure treated as capital expenditure under Generally Accepted Accounting Principles~~ the expenditure incurred by the Concessionaire on the Construction Works and Exhibition Installation as defined in the Concession Contract. This expenditure is equal to the investment by Blue IQ in terms of Convertible Shares;

“Construction Period”

means the period from the Effective Date to ~~{30 November 2005}~~ {2 June 2006};

“Economic Interest”

means a participant’s claim against the

enterprise representing a return on ownership of the enterprise, measured in accordance with the “Flow-Through” and “Modified Flow-Through” principles. In this regard, a participant’s entitlement to receive any payment or part payment on the participant’s claim from a Measured Enterprise that is not a return in that Measured Enterprise will be treated as Economic Interest if such payment is:

- not arms-length
- not market-related
- mala fide or
- without a commercial rationale or intended to circumvent the provisions of this statement or the objectives of the Broad-based Black Economic Empowerment Act (section 9(1): Codes of Good Practice clause 1.19 of code 100);

IDRAFTING NOTE: this reference to “this statement” and the BBBEE Act and Codes to be checked and clarified]

“Key Personnel”

means personnel employed in Paterson employment bands D, E and F;

Comment [P1]: Exact working.” means a claim against an entity representing a return on ownership of the entity similar to a dividend right, using the flow through and where applicable, the modified flow through principles.

Comment [P2]: All the detail from this point is not relevant to the reference quoted at the bottom as it’s based on the Codes of Good Practice BEFORE they were gazetted. The gazetted Codes do not have all this detail.

Comment [A3]: Whose responsibility?

“Local Community”

means Black People who ~~are ordinarily~~ resident in the COH WHS, or anywhere within a radius of [---], at the time of first employment; reside within 25 kilometres of any boundary radius of the COH WHSICC: ?

Comment [P4]: Change to initial recruitment

“Operating Expenditure”

means any expenditure ~~treated as operating expenditure under Generally Accepted Accounting Principles arising from contractual arrangements with subcontractors for the provision of facility management services detailed in Annexure B;~~

“Operations Period”

means the period from [1 December 2005] to the end of the Concession Period; and,

Comment [A5]: this should be 13 June 2006 – refer to “construction period” The Construction period and Operations period cannot overlap.]

“Subcontractors”

means the counterparties to any contract with the Concessionaire (whether for the supply of goods or services or both), or counterparties in turn to any contracts for the supply of goods or services or both to any of those first tier counterparties or any of those counterparties at a lower tier.

2. BLACK EQUITY

The Concessionaire shall ensure that for the period from the -

- 2.1 Effective Date to the day preceding the second anniversary of the Effective Date, no less than 40% of the voting Equity in the Concessionaire from time to time shall ~~behave been~~ directly and ^{ff} beneficially owned by Black People and/or Black Enterprises and such Equity shall rank *pari passu* with the voting equity

held by shareholders in the Concessionaire who are not Black People or Black Enterprises;

- 2.2 second anniversary of the Effective Date to the end of the Concession Period, no less than 53% of the voting Equity in the Concessionaire from time to time shall be directly and beneficially owned by Black People and/or Black Enterprises and such Equity shall rank *pari passu* with the voting equity held by shareholders in the Concessionaire who are not Black People or Black Enterprises.

3. SUBCONTRACTING EXPENDITURE

3.1 Construction Period

The Concessionaire shall ensure that in each completed year of the Construction Period (commencing with the Effective Date), or in any incomplete portion of a year in the Construction Period, no less than 40% of the total Capital Expenditure actually incurred by the Concessionaire shall be paid to Black People and/or Black Enterprises for goods and/or services provided by them.

3.2 Operations Period

The Concessionaire shall ensure that in each completed year of the Operations Period (commencing with the date on which the Operations Period commences), or in any incomplete portion of a year in the Operations Period, no less than 25% of the total Operating Expenditure actually incurred by the Concessionaire shall be paid to Black People and/or Black Enterprises for goods and/or services provided by them.

4. EMPLOYMENT EQUITY

- 4.1 The Concessionaire shall ensure that for the period from the -
- 4.1.1 commencement of the Operations Period to the day before the second anniversary of that commencement date, no less than 25% of the Key Personnel Positions in the Concessionaire shall behave been filled by Black People;

4.1.2 second anniversary of the commencement of the Operations Period to the day before the fifth anniversary of the commencement of the Operations Period, no less than 35% of the Key Personnel Positions in the Concessionaire shall be filled by Black People;

4.1.3 fifth anniversary of the commencement of the Operations Period to the end of the Concession Period, no less than 55% of the Key Personnel Positions in the Concessionaire shall be filled by Black People.

~~[NOTE: The Key Personnel Positions are specified in Schedule 11. That Schedule must be checked and, if necessary, revised. To provide flexibility and avoid the need to repeatedly revise Schedule 11, we propose that the target in the sub-clause rather be linked to percentages in various employment grading bands. Maropeng is requested to advise on whether they are using a grading system, and if so to suggest what the senior grades that would be included within this target would be.]~~

4.2 The Concessionaire shall comply with the Employment Equity Act, 1998. In doing so, it shall prepare and implement employment equity plans in accordance with that Act. The Concessionaire shall furnish the Concessor with –

4.2.1 each successive employment equity plan submitted by the Concessionaire in accordance with that Act within [30 days] following the date of submission of that plan; and

4.2.2 a copy of each report submitted by the Concessionaire to the Department of Labour (or its successor) pursuant to section 21 of that Act within [30 days] following the date of submission of that report.

4.3 The Concessionaire shall submit a report to the Concessor on efforts made to recruit locally and the percentage employment from the Local Community for each twelve-month period, by not less than [60 days] before the start of each Financial Year.

Comment [A6]: we actually agreed that it would be only for the first 12 month period

DRAFTING NOTE: Clarify what twelve-month periods are envisaged here. If the report has to be in 60 days before each Financial Year begins, is it the twelve months ending, say, ninety days before that Financial Year begins?!

5. SKILLS DEVELOPMENT

5.1 The Concessionaire shall develop and implement an annual skills transfer and training programme for Black People, in accordance with the following –

5.1.1 the first skills transfer and training programme ~~shall cover~~ covers the Construction Period and [the Concessor acknowledges that that programme has been submitted to and approved by it];

5.1.2 the programme for the ~~12 months commencing with the commencement of the Operations Period~~ period from 17 March 2005 to 30 April 2006 for the Orientation Centre, and the period from 9 December 2005 to 30 April 2006 for the Interpretation Centre, and the programme for the 12 months commencing on 1 May 2006, and for the 12 months commencing on 1 May 2007, shall be submitted by the Concessionaire to the Concessor by no later than [~~2006~~2007]. Each programme for each subsequent 12 month period ~~commencing on an anniversary of the date of commencement of the Operations Period~~ (which coincides with each Financial Year) shall then be submitted to the Concessor not less than [60 days] before the start of that ~~12-month period~~ the applicable Financial Year;

5.1.3 each programme so developed must be approved by the Concessor, whose approval shall not be unreasonably withheld;

5.1.4 unless the Concessor approves otherwise, the training elements of each programme must be formally registered as a **learnership programme or its equivalent**, under applicable legislation in force from time to time, or must otherwise be formally externally accredited by a third party approved by the Concessor for that purpose (which approvals shall not be unreasonably withheld). Only training elements in each programme

Comment [A7]: 31 July 2007

Comment [A8]: Skills development programme for ensuing year and report of previous year have to be submitted to THETA before end June annually. It is therefore proposed that the Plans and Reports be submitted to coincide with the THETA dates.

Comment [P9]: Based on the timelines provided in clause 5.1.2 the plan must be submitted by end Feb for implementation starting May BUT skills year starts April therefore approval must be given within 2 weeks after submission so that skills plan implementation can start in line with skills year. Therefore, comment A8 should be implemented.

Comment [A10]: Currently there are only 7 (originally 10) employees on a learnership programme as approved by Theta since only 10 were approved. It is therefore not possible to have all employees on a learnership programme.

that are so formally registered or externally accredited shall be eligible to be counted towards fulfilment of the skills development targets in this clause;

5.1.5 each programme shall stipulate –

- (a) the **training that will be delivered** under it, and **details of who will provide each aspect of that training;**
- (b) the intended **categories of persons** who will receive that training, and the **intended number of trainees in each category**; ~~distinguishing between trainees intended to come from the Local Community and those intended to come from outside it;~~
- (c) those elements of the programme which will be accredited by any applicable Sector Education and Training Authority under the Skills Development Act, and those which will not be so accredited;
- (d) details of the elements of the programme which will be formally registered or otherwise formally externally accredited in accordance with clause 5.1.4, including details of the body or entity with whom any applicable element will be so registered, or by whom any applicable element will be so accredited;
- (e) whether or not the training programme has been registered with the South African Qualifications Authority, and if so, at what National Qualifications Framework level the resulting qualification for that part will be; and
- (f) the estimated costs for each element of the programme, and a timetable relating to it.

5.2 The Concessionaire shall apply an amount of not less **than R1 060 000** for the skills transfer and training programme ~~in the first year of~~ inclusive of full-time training in preparation for the Operations Period, in the period ended on 30 April 2006. Thereafter, the following will apply –

5.2.1 the Concessionaire shall apply no less than an amount equal to 1 percent of its annual payroll expenditure for the year covered by each annual skills transfer and training programme for the skills transfer and training programme for that year for its own employees and members of the Local Community; and

5.2.2 in addition, ~~the Concessionaire shall procure that each of its first tier sub-contractors either itself applies no less than an amount equal to 1% of that first tier sub-contractor's annual payroll expenditure for the year covered by each annual skills transfer and training programme for the skills transfer and training programme for that year for that first tier sub-contractor's employees and members of the Local Community, or that each of those first tier sub-contractors pays no less than that amount to the Concessionaire, which shall itself then apply that full amount for a skills transfer and training programme for that year for employees of the first tier sub-contractor and members of the Local Community; if any of the facility management services listed in Annexure B are not performed by the Concessionaire itself, but are performed for it under contract by any third party/ies, the Concessionaire shall procure that each of those third parties complies with the principles set out in clause 5.2.1 in relation to its employees providing those services; and~~

Comment [A11]: This clause can only apply after the final agreement of Schedule 9.

5.2.3 the annual payroll expenditure for each year of the Concessionaire and each of its first tier sub-contractors ~~(or any third party to whom clause 5.2.2 applies)~~ means the relevant entity's total costs of employment, including salary and all benefits, in that year. If any first tier sub-contractor ~~third party to whom clause 5.2.2 applies~~ carries on operations related to the ICC, and also other operations that are not so related, then for purposes of this clause its annual payroll expenditure shall be restricted to the total costs of employment, including salary and all benefits, in that year incurred by it on employees or other personnel engaged (whether full time or as part only of their duties) in activities relating to the ICC;

5.2.4

~~not less than []% of the respective annual payroll expenditures for the year covered by each annual skills transfer and training programme of the Concessionaire and its first tier sub-contractors shall be applied to skills transfer and training programmes for members of the Local Community; and in rolling periods of three years (the first starting on [1 December 2005]) the Concessionaire shall ensure that the annual payroll expenditure of the Concessionaire under clause 5.2.1, and of each third party to whom clause 5.2.2 applies, under clause 5.2.2, is applied in approximately the same proportions (by payroll) as those of the employment bands of employees of the Concessionaire or that third party (as the case may be).~~

Comment [A12]: Should be 13 June 2006.

Comment [P13]: Why? I can't see how we'd be able to do this. Even if it was possible it would demand an audit of their payroll and expenditure... ???

5.2.5

~~first tier sub-contractors are all third parties with whom the Concessionaire itself concludes contracts for any activities forming part of the Operation and Maintenance of the ICC, irrespective of the form of that contract.~~

6. REPORTS

6.1

~~The Concessionaire shall furnish the Concessor within [30 days] after the end of the Construction Period, and thereafter within [30 days] after each anniversary of the commencement of the Operations Period, with a report on its compliance with its obligations under this Schedule, in accordance with the provisions of this clause, for each 12 month period, by no later than [60 days] before the start of each Financial Year.~~

Comment [P14]: Annual empowerment report is best prepared using audited information so best submission date is at least 60 days after finalization of audit. 60 days BEFORE the start of each financial years is not workable. The best workable solution should be to submit all the reports as in clause 6, 30 days after submission of the audited financial statements

6.2

IDRAFTING NOTE: Clarify what twelve-month periods are envisaged here. If the report has to be in 60 days before each Financial Year begins, is it the twelve months ending, say, ninety days before that Financial Year begins?!

6.2

~~Each Annual Empowerment Report shall be prepared and certified by an accredited specialist empowerment ratings agency, or a member of the association of BEE Verification Agencies, or other third party approved in advance by the Concessor.~~

Comment [A15]: As mentioned, best workable solution should be to submit all the reports as in clause 6, 30 days after submission of the audited financial statements.

6.3

~~Each Annual Empowerment Report shall set forth --~~



- 6.3.1 **Equity ownership of all Black Persons and Black Enterprises** in the period covered by that Annual Empowerment Report, and details of all changes whatsoever in ownership of that Equity in that period (including, without limitation, changes effected through any acquisition or disposal of issued shares, or through any subscription for new shares);
- 6.3.2 **shareholder loans of each shareholder in the Concessionaire who is a Black Person or a Black Enterprise, and details of all changes in those shareholder loans in the period covered by that report (including, without limitation, changes effected through repayments);**
- 6.3.3 **the voting rights** attaching to all classes of Equity owned by Black Persons or Black Enterprises in the period covered by that report;
- 6.3.4 **details of all dividends** and other distributions declared to and received by Black Persons or Black Enterprises in respect of their Equity, as well as all payments made to Black Persons or Black Enterprises in respect of any shareholder loans or interest on them, in the period covered by that report;
- 6.3.5 **a complete statement of all amounts paid under subcontracts to Black People and/or Black Enterprises in accordance with clause 3 in the period covered by that report, identifying each recipient of any such payment, specifying the amount paid to it, and specifying the goods or services to which that payment relates;**
- 6.3.6 **details of the Concessionaire's compliance with its obligations under clause 4 in relation to employment equity, specifying in reasonable detail how that compliance is constituted and any material non-compliance with its obligations in respect of each employment equity plan;**
- 6.3.7 **a complete statement of all targets set forth in the skills transfer and training programme for the period to which that report relates that have been achieved by the Concessionaire and/or its first-tier subcontractor each third party to whom clause 5.2.2 applies, together with details of the costs incurred by each of them in respect of those targets;**

Comment [A16]: Only to commence after final agreement of Schedule 9.

6.3.8 a **complete statement of all targets** set forth in the skills transfer and training programme for the period to which that report relates that have not been achieved, together with the reasons for not achieving those targets;

6.3.9 details of any portion of the amount which the Concessionaire and/or its ~~first tier sub-contractor~~each third party to whom clause 5.2.2 applies was obliged to spend on the skills transfer and training programme for the period covered by that report not applied by it or them towards that programme, together with the Concessionaire's ~~and/or sub-contractors'~~ reasons and/or those of each third party to whom clause 5.2.2 applies for not doing so;

Comment [A17]: Only to commence after final agreement of Schedule 9.

Comment [A18]: Only to commence after final agreement of Schedule 9.

6.3.10 a complete statement of the **training elements in each skills transfer and training programme that have been formally registered** in the period to which that report relates, with details of each registration, and a complete statement of any other formal external accreditation of any of those elements, with details of that accreditation;

6.3.11 details for the period covered by that report of incumbents of ~~all Key Personnel~~ ~~positions~~ ~~each Position~~ ~~employment~~ ~~band~~, specifying which of them are Black People; and

~~{NOTE: If we move to grading bands, the report will be required to provide details of incumbents of each grading band, specifying which of them are Black People.}~~

6.3.12 to the extent that any of the Concessionaire's obligations under this Schedule have not been met in the period covered by that report, any explanations for that failure that the Concessionaire wishes to provide.

6.4 The Concessionaire shall submit a report to the Concessor on its planned outreach programmes for corporate social responsibility outreach for each Financial Year by not less than [60 days] before the start of that Financial Year.

7. EXEMPTIONS AND WAIVER

- 7.1 Penalties will not be assessed against the Concessionaire for a failure to meet its obligations under clause 2, where the Concessor unreasonably fails to approve any application by the Concessionaire to amend the Shareholders Agreement in order to effect compliance by the Concessionaire with any of its obligations under clause 2.
- 7.2 Penalties will not be assessed against the Concessionaire for a failure to meet its obligations under clause 3, where the Concessor unreasonably fails to approve any proposed contract with any subcontractor, as a result of which the Concessionaire fails to meet any of its obligations under clause 3.
- 7.3 The Concessor may, in its sole and absolute discretion, waive all or any part of the obligations imposed on the Concessionaire under this Schedule. Any such waiver shall apply only to the specific extent for which it is given, and shall not imply any other or further waiver.

8. PENALTIES

- 8.1 If the Concessionaire fails to meet any of its obligations under this Schedule ~~for any period for which an Annual Empowerment Report must be delivered,~~ assessed as an annual average in each successive period of two Financial Years, penalties shall be applied, in accordance with the provisions in this clause.
- 8.2 To decide the relevant penalty, the shortfall in meeting the relevant target will first be calculated. It will be calculated as a percentage, and in each case will be the percentage which the shortfall in meeting the relevant target is of that target. That percentage is referred to in each case as the “shortfall percentage”.
- 8.3 Where there is a shortfall percentage in relation to any target, the parties will calculate the same percentage of the Concession Fee (if any) that would have been payable in respect of the period concerned (ignoring any penalties applicable against that Concession Fee), and in this clause that will be referred to as “the Concession Fee Percentage”.

- 8.4 If the Concessionaire fails to achieve the level of Equity ownership by Black People and Black Enterprises required in terms of clause 2, then the Concession Fee attributable to that period concerned shall be increased by the greater of (1) R1,000,000 and (2) the amount which is the applicable Concession Fee Percentage in respect of that period, but up to a maximum of 35% of that Concession Fee. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1.
- 8.5 If the Concessionaire fails to achieve the level of payment of either Capital Expenditure or Operating Expenditure to Black People and Black Enterprises required in terms of clause 3, then the Concession Fee attributable to that period concerned shall be increased by the greater of (1) R500,000 and (2) the amount which is the applicable Concession Fee Percentage in respect of that period, but up to a maximum of 25% of that Concession Fee. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1.
- 8.6 If the Concessionaire fails to fill the target level of Key Personnel Positionspositions with Black People as required in terms of clause 4.1, or to implement employment equity plans as required in terms of clause 4.2, then the Concession Fee attributable to that period concerned shall be increased by the greater of (1) R250,000 and (2) the amount which is the applicable Concession Fee Percentage in respect of that period, but up to a maximum of 15% of that Concession Fee. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1. If the Concessionaire fails to submit any employment equity plan or report envisaged in clause 4.2, then the failure for purposes of this penalty clause shall be deemed to be 100%. If the Concessionaire submits the relevant employment equity plan, but fails to carry it out in full, then the parties shall calculate the extent of the failure as a percentage, on such reasonable grounds as they may agree. If they cannot agree within 15 Business Days of either of them calling on the other to

do so, then that failure shall constitute a dispute and shall be resolved in accordance with clause 29 of the Concession Contract.

~~8.7 [NOTE: if we use grading bands instead of a Key Personnel Positions schedule, this paragraph must change to refer to failures to meet the targets in any of those bands, and we will then have to stipulate how to assess the penalty in each band, or over the bands taken together.]~~

8.7 If the Concessionaires fails to apply the full amount or percentage of the relevant annual payroll expenditure, or to procure that any of its first-tier sub-contractors~~third party to whom clause 5.2.2 applies~~, applies the full amount or percentage of the relevant annual payroll expenditure, on the skills transfer and training programme as required in terms of clauses 5.1 and 5.2, then the Concession Fee attributable to that period concerned shall be increased by the greater of (1) R250,000 and (2) the amount which is the applicable Concession Fee percentage in respect of that period relating to that failure, but up to a maximum of 15% of that Concession Fee. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1. For purposes of this sub-clause, annual payroll expenditure shall have the same meaning as is specified in clause 5.2;

8.8 if the Concessionaire fails to submit any Annual Empowerment Report in terms of clause 6, within thirty days after the due date for submission of that report calculated in terms of clause 6.1 (“the extended reporting date”), then the Concession Fee attributable to each Concession Year during which that failure continues shall be increased by the amount of R50,000 for each month or part thereof during which that failure exists. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1. There shall be no maximum cap for this penalty, and there shall be no maximum period for which this penalty will be applicable in relation to the failure to deliver any particular report, so if that failure persists over or into more than one Concession Year, the penalty shall continue to apply until that failure is remedied.

8.9 All amounts specified in this clause shall be escalated from 1 January 2007 and annually thereafter in accordance with the CPIX.

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Split/Merged cell	
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Style change	0
Format changed	0
Total changes	139

Province of Gauteng

**Cradle of Humankind World Heritage Site
Management Authority**

**Management Plan for the Design,
Construction, Exhibition Installation and
Operation of the Interpretation Centre
Complex for the Cradle of Humankind
World Heritage Site**

Revision: 1, February 2005

STERKFONTein

CONTEXT

		Rank	Score	Comments Jul 2013
Legal Status	Does the site have permanent legal status SAHRA/NEMPAA	3	2	This is a declared national heritage site
Protected area regulations	Are there legal mechanisms in place to control inappropriate activities	3	2	As before. Generic issue
Heritage site boundary demarcation	Has the boundary been surveyed and registered on the title deeds of the property?	3	2	The title deeds are still outstanding
Heritage resource inventory	Is there enough information to manage the heritage resources?	3	3	The Sterkfontein site is perhaps the best documented site in the COH WHS, and is still generating research that is continuously improving the understanding of the site.
Biodiversity resource Inventory	Is there enough information to manage the biodiversity?	1	0	

PLANNING

Heritage site design	Is the size and shape of the heritage site adequate to achieve proper heritage management?	3	3	The site is one of the larger NHS's in the COH WHS
Heritage agreement	Is there a heritage agreement signed by the landowner, MA and SAHRA?	3	1	As before. The MOU between the MA and SAHRA needs to be signed before these agreements can be signed.
Site management plan	Is there an approved management plan compliant with The WHCA and NEMPAA	3	1	As before. The updating of the plans must be jointly discussed and agreed upon by SAHRA and the MA, together with input from the scientists and landowners. The IMP for COHWHS will be a plan that is approved in terms of the WHCA, but at this stage, the fossil site management plans are not incorporated in the IMP.
Tourism management framework	Is there a visitor use system which includes visitor infrastructure that explains the nature of the operation	3	3	A tourism plan is in place, however please note the various concerns and issues raised by the inspection team in the comments further below regarding tourist facilities and the tourism offerings in relation to heritage resource management.
Is there a SAHRA permit	Does the scientist have a permit?	3	3	As before. However, please note that the permit is issued to Prof Thackeray as Director: IHE. This institution has been merged with the BPI to form the Evolutionary Studies Institute and Prof Rubidge is now the director of this institute. SAHRA to determine in future whether the permit is to be amended to reflect Prof Rubidge as opposed to Prof Thackeray.
NEMPAA Authorisation (REGS.)	Has the site been authorised in terms of NEMPAA (REGS.)	3	0	Applicability of NEMPAA is questionable due to status of MA.
Supplementary items	The planning process allows adequate consultation with key stakeholders in the compilation of the management plan	1	1	
	There is an established schedule and process for periodic review and updating of the management plan	1	1	In theory, the plans are to be updated in 2013. Ideally this should be done in collaboration with SAHRA, the landowner and the permitted scientist. However, this is difficult to co-ordinate.

	The results of monitoring, research & evaluation are routinely in corporates into planning	1	1	There is some evidence of the site safety findings making their way into the current permit for excavations at Sterkfontein - for example, the plans to start stepping back the highwall in top excavations that was of serious concern to the site safety inspector. Particularly with Sterkfontein, there is a need for greater co-ordination between the MA and Maropeng to discuss and develop ways forward relating to matters arising out of the site inspections, particularly where these matters are related to visitor and tourism management impacting on heritage resources.
	There is a programme for the implementation do the management plan and it's costing	1	1	This exists, however, the problem across all of the sites is that of implementation.
	Do regional plans support and recognise the heritage site and it's objectives?	1	1	As before.
TOTAL		23	16	
INPUTS				
Research and monitoring programme	Does the scientist have a plan of operation which includes a site plan?	3	3	The new permit does include an updated site plan. The permit proposal also includes a plan of operation.
Human resource capacity	Is there enough HR capacity to manage the site?	3	1	At the inspection, there were discussions regarding the tour guides. Comments have been made to the effect that: 1. There is a relatively high turn over of guides 2. The evidence of increased graffiti in the caves suggests that the tour guides are not able to adequately control tour groups in the caves - resulting in a suggestion that either the size of the tour groups should be reduced or that two guides attend each group - one to lead and the other to follow at the rear and ensure that the group stays together and do not damage the caves. From a scientific research capacity, there are relatively high number of skilled people that work the Sterkfontein excavation sites. Furthermore, the creation of the casting facility has also resulted in more capacity, even though at this stage the fossil casting is not directly linked to Sterkfontein site.
Research capacity of applicant	Does the excavation team have enough HR capacity	3	3	As before.
Current budget	Is the current budget sufficient (MA/SAHRA and research team)	3	1	The funding situation from a research perspective is looking somewhat better than previously reported. Funding from PAST and the COH WHS Trust is apparently expected. The permitted scientists are currently developing a Sterkfontein continuity plan that will outline the funding needs for the site from a research perspective. Funding is required in particular for the top excavation - the stepping back, scaffolding etc.
Security of budget	Is the budget secure?	3	2	As before.
Income	Is the income from various resources used for heritage resource management	3	2	As before.
Law enforcement	Is there enough capacity to enforce legislation?	3	1	As before
TOTAL		18	13	
PROCESSES				
Annual plan of operation MA/SAHRA	Is there an annual site specific work plan	3	2	Confirmed through SAHRIS - the new permit included a detailed project proposal, which essentially constitutes a work plan. However, this maybe something that in future should be requested as part of the inspection process.
Scientist plan	Has a site plan been submitted by the scientist to SAHRA/MA	3	3	Confirmed.

Environmental resource management	Is the heritage site adequately managed in terms of invasive species, fire, snares	3	2 The Concessionaire undertakes management of the grounds as per the now expired concession agreement and the EMP for the ICC and Visitor Centre Complex. Inside the cave, the evidence of algae growing around the lights, which will require addressing. There do not appear to be any environmental concerns relating to the external excavation areas.		
Heritage resource management	Is the heritage site adequately managed (maintenance of the sites, kilns, retaining walls in the excavation, Breccia dumps).	3	2 Within the cave, there are several tourism issues that require attention because of their potential for negatively impacting the heritage resources. Firstly, the issue of graffiti was again raised (see comments above discussing the graffiti), secondly, the issue of the tour guides allowing the smaller groups into the cavern off the Milner Hall; thirdly, the issue of the lighting remaining on in the caves, leading to algal growth; fourthly, the need to make a final decision regarding the route - it is suggested that the current route past the lake be made permanent, and the fencing be removed and more permanent features be installed; fifthly the need to keep tour groups on a dedicated path -this will require discussions with Maropeng regarding the usage of rubber matting versus using a concrete path with barriers. There are still outstanding issues regarding the site safety findings (hard hats, signage etc). Also related to the tourism route is the need to incorporate the kilns and the mining history into the exhibitions and tour. Regarding the external excavations, there are plans to commence with the stepping back of the highwall that was of concern in the site safety inspections, towards the concrete stairs. However it is not anticipated that the highwall will slump into the cave deposit. A scaffold will also be erected to allow for the safer excavation of M4/ The witness section will require stabilisation, and at some point the eastern wall of M4 will also require some work to be done. There are also plans to erect a new GIS grid over the top excavation. There are also plans for the sign indicating the Isaac Stegmann Nature Reserve to be re-worded and moved to be closer to the entrance of the caves, after complaints by the family (Prof Thackeray to apply to SAHRA). The bust of Prof Tobias at the exit also requires revision to reflect his date of death. A potential issue to be discussed with Maropeng is the selling of "genuine" fossilised shark teeth in the shop at Sterkfontein - these are apparently endorsed by an unrecognised heritage institution.		
Curatorship	Is there adequate provision made for curatorship, repository and management and monitoring	3	2 The existing brick lab is now being shared with the casting facility. Additional shelving and storage space has been provided, and the excess material that was seen at the last inspection has been cleared. Prof Thackeray confirmed that a new hominid vault is being installed at the ESI for Little Foot. Little Foot is partly scanned - the skull is proving difficult to scan as the block it is contained in is too large to fit into the scanner.		
Administrative systems	Are administrative systems in place that support effective management?	3	1 In addition to this generic item, there are additional concerns regarding Maropeng's systems relating to the training of the tour guides and tour guide turnover, which will be discussed further on		
Operational equipment & infrastructure	Is there adequate equipment and infrastructure to manage the heritage value of the site.	3	2 Again, a distinction must be made between tourism related infrastructure and scientific research related infrastructure and equipment. From a scientific research perspective, Sterkfontein is well-equipped. It is the only site with its own on-site laboratory and storage facility. The tourism related infrastructure will be discussed under the "Visitor facilities" section.		
Maintenance of equipment and infrastructure	Is equipment and infrastructure for the heritage site adequately maintained (Who ever is responsible?)	3	2 As above, the tourism related infrastructure will be discussed further below. Regarding the scientific research equipment and infrastructure, the old scaffolding over the top excavation has been removed and will have to be properly disposed of. There were no other areas of concern regarding excavation equipment.		

Education and awareness programmes	Is there an education programme in place?	3	1	Of particular concern at this inspection is the issue of site interpretation, tour guide training and tour guide turnover. There is a need for the MA to engage with Maropeng to determine the following: the extent and regularity of any ongoing training that is provided to the tour guides to ensure that the most up to date and accurate information is being provided to the tourists; the rumours of high turnover of tour guides, and the "training" of new recruited tour guides by the other tour guides, rather than through a formalised training programme at Maropeng; and the need for the tour guides to be registered with CATHSSETA. There are also plans to upgrade the exhibition at the Sterkfontein museum. It is a recommendation that the lime kilns, and more information relating to the mining history be incorporated into the Sterkfontein story line to ensure that the site's full educational potential is reached.
Landowners relationships	Is there cooperation and open relationship with landowners of the site?	3	3	
Advisory committee and forum	An advisory committee of local representatives and specialist advisors on heritage management and pa issues	3	2	There has been a request from the permitted scientist for a more regular and formalised meeting of the COH WHS scientists and the MA and SAHRA to discuss COH WHS related issues and to co-ordinate research, leverage funding etc.
Commercial tourism	Do tourism operators contribute to site management.	3	2	The extent to which the tourism is contributing to the improved management of the Sterkfontein caves is unclear, particularly in light of the concerns raised at this particular inspection.
FS performance and evaluation system	Is there a functional evaluation system in place to measure performance against objectives as set out in the management plan?	3	1	
Supplementary item	Do community partners have input to management decisions via the advisory committee?	1	0	As before The permitted scientist has expressed his support for a formalised meeting to be established between the researchers working in the COH WHS with the MA and SAHRA as part of the inspection process, where relevant matters can be addressed on a COH WHS level, as opposed to site specific issues raised at the inspections.
OUTPUTS			25	

Visitor facilities

Are visitor facilities good enough to prevent damage to the site?

3

2 At this inspection, there were several issues relating to the impact of tourism activities on the cave in particular. Firstly, it appears that there has been an increase in the amount of graffiti witnessed in the cave. Secondly, the lighting in the cave needs to be addressed to conform with international best practice for show caves. Thirdly, the rubber matting used to denote the tourist route through the cave has long been an issue of contention. The tour groups are clearly not staying on the route and are possibly lead to compression of the cave floor material. The permitted scientist was of the view that the cave floor is primarily composed of crushed and mixed material that is relatively difficult to tie back to the main fossil deposits and thus is of low scientific value. It would be relatively easy to survey the route for areas of scientific value. International practice regarding tourist routes in show caves appears to be favouring concrete paths, with stainless steel barriers to prevent tourists from leaving the path - as is the case with the entrance and the exit to the cave. Fourthly, the level of the lake in the caves is not likely to rise any further, and thus it was suggested that the existing route past the lake be made permanent - the green temporary fencing should be replaced with appropriate permanent barriers. Fifthly, apparently when there are small tour groups, the guides allow the groups into a small cavern off the Milner cavern - graffiti has been witnessed here. The recommendations are for the MA to write and meet with Maropeng to: 1. Suggest that an additional tour guide accompany each group to ensure that no members of a tour group can step away from the tour and create graffiti. An additional tour guide will also allow for the turning on and off of lights during a tour, rather than having the lights on permanently, as well as ensuring that the tour groups stay to the tour path. 2. Suggest the rubber matting used for the current tourist route be replaced with concrete and stainless steel barriers, after being surveyed by the permitted scientists. 3. Suggest that the temporary route past the lake be formalised - install no go tape / barrier to prevent access to previous route, and install a permanent barrier in place of the green pool fencing. 4. Request that no groups be allowed access to Milner Cavern - install no go tape / barrier.

Research outputs

The site produces research papers and lecture tours that promote site significance.

3

3 Yes, there have been quite a few lecture tours undertaken by the permitted scientist, particularly in the UK recently. The publications on Little Foot are still pending.

Excavation continuity programme
Supplementary item

There are active programmes to restore or
Where applicable are impacts of legal and illegal

1

0 This is not yet an area that requires attention at Sterkfontein.

Heritage condition assessment

Are the heritage assets being managed in
accordance with MP objectives?

3

2 Whilst the plans need updating, this will not be as effective as it should be

Protection systems

Are the available management mechanisms
working to control both illegal and legitimate
access or use?

3

2 At the inspection, there was evidence of brickwork that has been stolen from one of the now defunct pathways (address with Maropeng). There have also been issues regarding film crews at Sterkfontein attempting to enter areas that they are not permitted to access. There are possible concerns regarding tourists in the cave, given the increased evidence of graffiti.

Economic and social benefit
assessment

Is the heritage site providing economic and social
benefits to local communities

3

2 The tour guides are generally recruited from the local communities, and the new trainees of the casting facility are all from local communities.

Supplementary item: Ecological
condition assessment

Are biodiversity assets and values being managed
consistent with site management objectives?

1

1 Maropeng manage in terms of the EMP for the ICC and Visitor Centre Complex



	Supplementary Item. Local Authority Support	Does the local authority in exercising of their mandate support the actions of the MA	1	0	As before			
			8	12				
	Grand TOTAL							

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1. INTRODUCTION

1.1 Clause 16.7.1 of the National Treasury Regulations for departments, trading entities, constitutional institutions and public entities issued in terms of the Public Finance Management Act, 1999 (PFMA), as amended in May 2002, (Regulations) provides, in pertinent part, that after the procurement procedure for a PPP has been concluded, but before the accounting officer or accounting authority of an institution enters into a PPP agreement, she or he must obtain approval from the relevant treasury-

“(b) for a management plan that explains the capacity of the institution to effectively enforce the agreement including, to monitor and regulate implementation of and performance in terms of the agreement.”

1.2 The foregoing approval constitutes one of a two-part Treasury Approval: III process (TA) III, the other being that the relevant treasury finds that the PPP agreement contains the affordability, value for money and appropriate technical, operational and risk transfer specified by the Regulations.

1.3 This document sets forth the Gauteng Department of Agriculture, Conservation, Environment and Land Affairs (DACEL) PPP Contract Management Plan required by Clause 16.7.1(b) of the Treasury Regulations for the design, construction and exhibition installation of the Interpretation Centre Complex at the Cradle of Humankind World Heritage Site (COHWHS) by the concessionaire Furneaux-Stewart Gapp (FSG).

1.4 The Concession Contract was initially signed on 19 October 2003 on behalf of the Gauteng Provincial Government by the Department of Agriculture, Conservation, Environment and Land Affairs (DACEL). Institutional changes have resulted in DACEL now being the Department of Agriculture, Conservation and Environment, and that Department has been formally appointed as the Cradle of Humankind World Heritage Site Management Authority (COHWHS MA). That Authority has in turn delegated responsibility for the management and administration of the Cradle of Humankind World Heritage Site to the Gauteng

Provincial Government's Department of Finance and Economic Affairs, which in turn has delegated that authority to the COHWHS MA Chief Executive Officer (CEO).

- 1.5 Since the signing of the Concession Contract a new version of Treasury Regulation 16 has been promulgated. Since that signature date also, the parties to the Concession Contract have begun implementing the provisions of the contract and it is now necessary to revise this Contract Management Plan so as more accurately to reflect the requirements of the project at the date on which this revision is adopted (February 2005). In making that revision, provisions in the various sections which were correct when the plan was initially adopted have generally not been changed, except where a change enhances clarity, but it is affirmed that the revisions comply with Treasury Regulation 16 as it is in force when this revision was adopted.
- 1.6 The Concessionaire that is a party to the Concession Contract is the special purpose vehicle set up for that purpose by the Furneaux-Stewart Gapp Consortium, FSG Special Purpose Company (Proprietary) Limited. References in this plan to FSG are to be construed as referring to that company.
- 1.7 To take account of the institutional changes and the appointment of the COHWHS MA, the references in the original version of this plan to DACEL are being changed throughout to refer to the COHWHS MA.
- 1.8 This Management Plan is structured as follows:
 - 1.8.1 Purpose
 - 1.8.2 Background
 - 1.8.3 The Concession Contract
 - 1.8.4 Risk Management

- 1.8.5 Contract management and governance structures within COHWHS MA
- 1.8.6 Contract management and governance structures within the Concessionaire (FSG)
- 1.8.7 Concession Contract responsibilities and timeframes
 - 1.8.7.1 Conditions Precedent
 - 1.8.7.2 Construction
 - 1.8.7.3 Exhibition Installation
 - 1.8.7.4 Operations arrangements
- 1.8.8 Amendment of Contract Management Plan

2. PURPOSE AND GENERAL PRINCIPLES

- 2.1 The Purpose of this Contract Management Plan is to:
 - 2.1.1 Ensure delivery of the contracted services;
 - 2.1.2 Deal with performance variations;
 - 2.1.3 Authorise payments of the grant funds provided by Blue IQ; and
 - 2.1.4 Validate the concession fees paid by FSG in terms of the Concession Contract.
 - 2.1.5 Manage risk through allocation and mitigation.
 - 2.1.6 Management of the contractual rights and obligations of parties

- 2.2 The General Principles inherent in this Contract Management Plan are as follows:
- 2.2.1 Contract Management is the activity whereby the COHWHS MA ensures that the respective roles and responsibilities set out in the contract are fully understood and fulfilled to the contracted standard so that value for money is delivered. Where contracted standards are not fulfilled, COHWHS MA will apply mechanisms established in the contract to rectify any under-performance.
- 2.2.2 Performance Monitoring is a specific activity within overall Contract Management that includes the day to day process of monitoring trends, assessing whether the services contracted for are delivered to the required standard and assessing the remedial action to be taken by FSG when the performance standards are not met.
- 2.2.3 Effective Contract Management ensures that the Concession Contract delivers value for money in the form of cost effective, reliable and timely services at agreed prices and to agreed quality, consistent with legal standards, financial probity and management accountability while maintaining good client/concessionaire relationships.
- 2.2.4 The structure of the Concession Contract defines the basis for the long-term construction, exhibition installation and operational and managerial relationships between COHWHS MA and FSG.
- 2.2.5 COHWHS MA has put in place a Programme Manager and staff who will be responsible for managing the Concession Contract. The designated Programme Manager has been involved in the project from its inception, and is fully conversant with all elements of the project. Most of the staff assigned to assist the Programme Manager have likewise been involved in the project for an extended period of time and are also fully conversant with the elements of the project applicable to their particular field of expertise.

- 2.2.6 COHWHS MA has also implemented a comprehensive knowledge management programme in terms of this project, where all relevant information pertaining thereto, from the inception thereof, has been, and will continue to be, appropriately catalogued and established in a readily-accessible database available to both COHWHS MA and FSG.
- 2.2.7 COHWHS MA and Wits have committed to provide realistic financial and resource budgets to cover the costs relating to Contract Management. The bulk of the Contract Management activities will be carried out by COHWHS MA and Wits employees, with provision being made in terms of financial resources for such outsourced expertise as may be required during the term of the Concession Contract.
- 2.2.8 COHWHS MA and Wits have further committed to making financial provision for third-party auditing of the performance of the parties to the Concession Contract.

3. BACKGROUND

- 3.1 The Department of Agriculture, Conservation, Environment and Land Affairs (DACEL) of the Province of Gauteng, now the COHWHS MA, together with the University of the Witwatersrand (Wits), embarked upon a process in 2001 for the procurement of the design, construction, exhibition installation and operation of the Interpretation Centre Complex for the Cradle of Humankind World Heritage Site (ICC) located in Gauteng and North West Provinces, pursuant to the processes then in place in terms of the PFMA and Treasury Regulation 16.
- 3.2 This procurement has previously received the following approvals from National Treasury in terms of the Regulations:
- Treasury Approval (TA) I
 - Treasury Approval (TA) IIA
 - Treasury Approval (TA) IIB

- 3.3 Subsequent to the receipt of (TA) IIB, COHWHS MA and Wits embarked upon negotiations with the Furneax-Stewart Gapp consortium (FSG), the preferred bidder, for the provision of the services described in 3.1, above, which negotiations have proceeded to a stage in which contract negotiations have been completed, and the Concession Contract so negotiated is ready for execution by the parties.
- 3.4 It is, therefore, necessary to obtain the approval required of Clause 16.7.1(b) in order that the Concession Contract, as negotiated, may be executed, which execution will occur upon issuance of TA (III) from National Treasury.
- 3.5 In terms of the provisions of the Concession Contract, FSG will design, construct, install exhibitions in and operate the ICC on sites provided to FSG at Mohale's Gate, adjacent to the Cradle of Humankind World Heritage Site and at Sterkfontein, within the Site, for a period of ten (10) years, with the opportunity to continue said operations, subject to certain conditions, for two additional five (5) year periods. The Gauteng Province, through its Department of Transport and Public Works, is the owner of the Mohale's Gate site, and Wits is the owner of the Sterkfontein site, access to both of which is provided by the terms of the Concession Contract.
- 3.6 COHWHS MA and Wits both acknowledge that to effectively manage a Concession Contract for a term of this length will require staff with the necessary skills, available financial resources, a sound relationship with FSG and the necessary contractual instruments to cater for the eventualities that may arise during the course of the Concession, consistent with the purpose and general principles set forth in 2, above.
- 3.7 To this end, COHWHS MA and Wits have executed an Agreement, the terms of which provide, in summary, that COHWHS MA shall undertake the Contract Management responsibilities for this initiative, with appropriate allocation of responsibilities to Wits as specific occasions require, from time to time. A copy of this Agreement is attached hereto as **Annex A**.

3.8 COHWHS MA staff and any Wits staff charged with responsibility to enforce the conditions of the contract have a thorough understanding of the project, familiarity with the terms of the Concession Contract and the various processes and requirements set forth therein, good communication skills and personal relationship skills. COHWHS MA and Wits acknowledge their respective responsibilities to provide for continuity in the Contract Management for the term of the Concession Contract, and further acknowledge that new processes, systems and management responsibilities may be needed during the term thereof.

4. THE CONCESSION CONTRACT

4.1 The Concession Contract is a comprehensive, single document addressing the conditions precedent, construction, exhibition installation and operation phases of the project. The long-term nature of the Concession Contract and the dynamic environment in which operations, particularly, of the ICC by FSG require necessary measures and procedures to cater for all types of eventualities which may affect the effectiveness and efficiency of the Concession Contract over its term.

4.2 Among the matters catered for in the Concession Contract are provisions for the following:

4.2.1 Payment of the capital amounts to FSG in accordance with the Milestones Document, attached hereto as **Annex B**. The capital amounts shall be sourced from the equity contribution to the FSG SPV by Blue IQ Holdings Limited, an association incorporated not for gain in terms of the Companies Act, No. 61 of 1973, the sole shareholder of which is the Gauteng Provincial Department of Finance and Economic Affairs.¹

4.2.2 Changes to the Concession Contract, whether requested by the Concessor Parties or FSG.

- 4.2.3 Disputes that may arise from the Concession Contract.
- 4.2.4 Deliverables of the Concession Contract, in terms of quality and quantity.
- 4.2.5 Performance by FSG in terms of the services to be delivered, including construction, exhibition installation and operation of the ICC.
- 4.2.6 Exit and transition measures to come into effect when the contract terminates for any reason.

5. RISK MANAGEMENT

- 5.1 The report submitted pursuant to Clause 16.7.1(a) addresses whether there has been “appropriate technical, operational and risk transfer” in the Concession Contract.
- 5.2 The cardinal principle in risk management is that the party best positioned to manage that risk do so. The Concession contract’s risk management provisions are consistent with that principle.
- 5.3 The risks so allocated are managed and mitigated through the approval, dispute resolution, Force Majeure, Material Adverse Government Action, Governing Law and Resolution of Disputes, Insurance and Termination provisions of the Concession contract.
- 5.4. A Risk Matrix Table setting forth the risks borne by the Parties is attached hereto as **Annex D**

¹ The reference to “Blue IQ Holdings Limited” should read “Blue IQ Investment Holdings (Proprietary) Limited”, and it is further recorded that the company was established as an ordinary limited liability company.

6. CONTRACT MANAGEMENT AND GOVERNANCE STRUCTURES WITHIN COHWHS MA

6.1 The proposed Concession Contract Management structure within COHWHS MA is founded on the premise that this project has a multiplicity of objectives, both near and mid-to-long term, the achievement of which will depend, to a great extent, upon the efficiency and effectiveness of these Contract Management processes and the skill and expertise of the COHWHS MA and Wits staff, from wherever sourced, to effectively monitor and evaluate the Concession Contract during the term of its implementation.

6.2 For the purposes of this Concession Contract Management Plan, the Concession Contract has been generally divided into four distinct phases, to-wit:

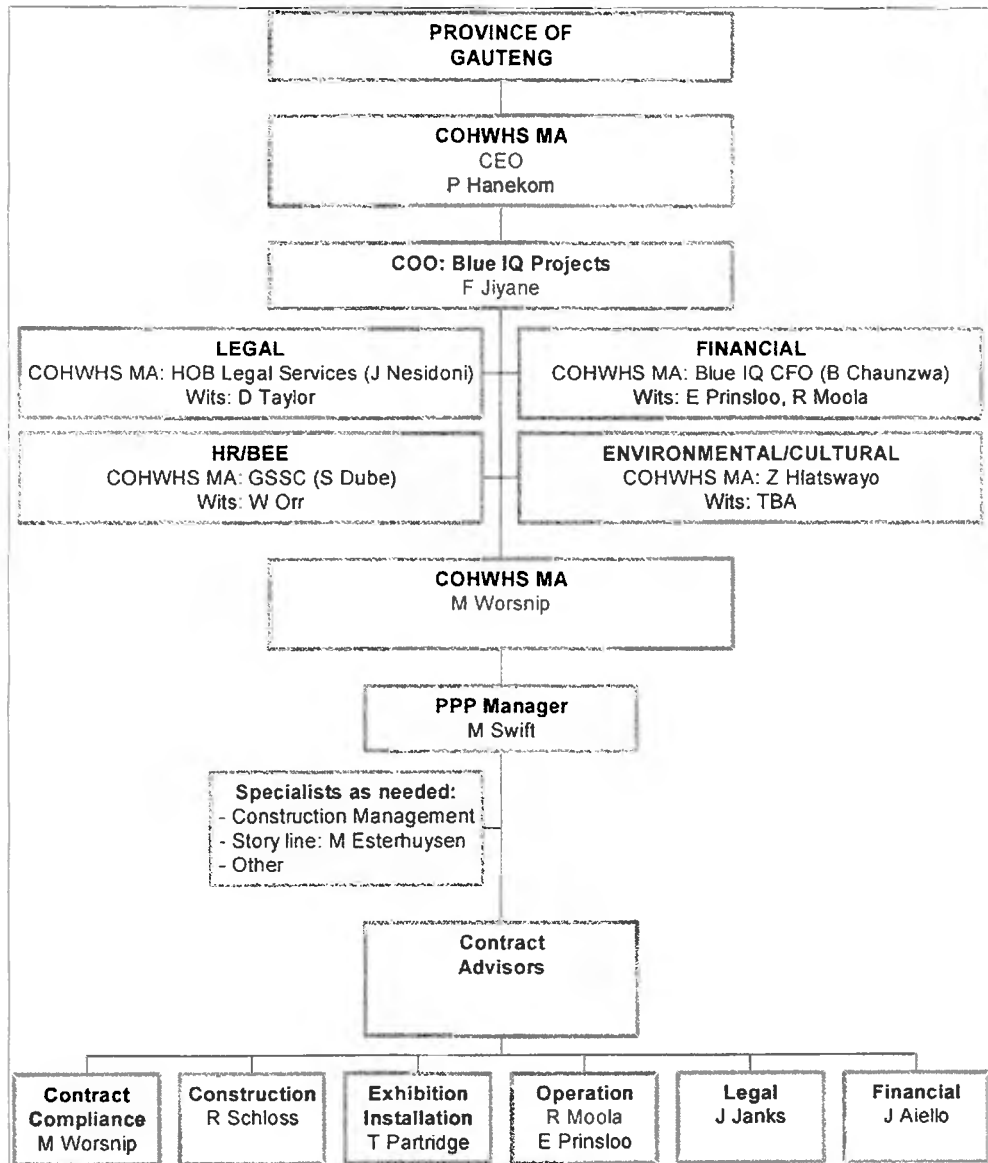
- The Conditions Precedent Phase;
- The Construction Phase;
- The Exhibition Installation Phase; and
- The Operations Phase.

However, it should be understood that certain tasks overlap between and among the phases: the Construction Phase and the Exhibition Installation Phase overlap, certain tasks that take place under the Exhibition Installation Phase will carry on throughout the remainder of the Concession Contract and certain tasks described in the Operations Phase, as to the Sterkfontein Site, may commence during the Construction Phase.

The responsibilities of the Programme Manager, who will have primary Contract Management responsibilities for each of these phases will be addressed separately, below.

6.3 COHWHS MA has established a dedicated sub-directorate for this Project, within the Department, to provide a broad range of contract management resources to each of COHWHS MA's PPP projects, including the ICC at the Cradle of

Humankind. The structure of the sub-directorate as at February 2005 is as follows:



Note that the Wits counterparts to the COHWS MA positions set forth above is for the convenience only. Wits are not a part of the COHWS MA PPP sub-directorate.

- 6.4 The Accounting Officer (AO) for the project as set out in the Treasury Regulations is Dr. P E Hanekom. The AO is supported by the Chief Operating Officer (COO), Mr. F Jiyane.

- 6.5 The day to day Programme Manager for this initiative is Mr Michael Worsnip, who has been designated the "project officer" in term of the Treasury Regulations with all authority required thereby. He will be the person responsible for ensuring the performance of all Concessor responsibilities set forth in the Concession Contract. He will be the person responsible for ensuring FSG's performance of all of the FSG responsibilities set forth in the Concession Contract. He will be supported by Ms. M Swift and the structure set forth above, Wits staff and outside expertise, as needed, for technical advice during all phases.
- 6.6 Mr Worsnip will be the principal point of contact with FSG, who will, under the terms of the Concession Contract, also designate an individual to be its point of contact on all matters relating thereto.
- 6.7 Both COHWHS MA and Wits shall provide such support utilizing, to the greatest extent possible, existing staff resources, the funding for which currently exists. To the extent that technical resources are required from sources other than existing COHWHS MA and Wits staff, funding will be provided through the then-current budgets of both institutions. Funding has been provided, in the opinion of both institutions, sufficiently to cover all anticipated Contract Management costs for this project through the conditions precedent, construction and exhibition installation phases. COHWHS MA and Wits have pledged to budget sufficient staff and financial resources for the duration of the Concession Contract.
- 6.8 The Concessor's Contract Advisors will prepare estimates of the hours and timeframes required for the performance of their assigned tasks, consistent with the Concession Contract, which will be catered for by COHWHS MA and Wits.
- 6.9 During the Term of the Concession Contract, the sub-directorate Project Team, or so many thereof as is appropriate under the circumstances, will meet on a monthly basis; for an update on the then-current state of the Project.
- 6.10 A Project Steering Committee (PSC) chaired by the CEO and constituted by the COO, COHWHS MA team and Wits team will meet on a bi-monthly basis. The

frequency of such meetings may be changed by the PSC to quarterly at a future time.

7. CONTRACT MANAGEMENT AND GOVERNANCE STRUCTURES WITHIN FSG

7.1 FSG has likewise established an organisational structure for the FSG Special Purpose Company (Proprietary) Limited. The organisational structure will become progressively more complete as the Concession Contract proceeds. FSG has established this organisational structure to reflect the following phases:

- The Development Phase, currently estimated to last for the first six (6) months of the Contract;
- The Pre-Opening Phase; and
- The Operational Phase.

The FSG organisational structure is attached hereto as **Annex C**. Included in Annex C is a diagram depicting the Design Approvals Sequence for the Facility, Exhibition and Storyline Design. The depicted Design Approvals Sequence will obtain throughout the Concession Contract in terms of the Exhibition and Storyline requirements contained therein.

7.2 The point of contact for FSG during the Development Phase will be Mr Rob King. FSG envision retaining the services of a General Manager during the first three (3) months of the Development Phase in order to ensure appropriate inputs into the final facility and exhibition designs to optimise the efficient operation thereof during the Operational Phase. The General Manager will work side-by-side with Mr King, and participate in appropriate meetings with Mr King and Mr Worsnip and the other members of sub-directorate Project Team during the Development Phase, to become completely familiar with the requirements of the Concession Contract and develop a personal relationship with Mr Worsnip and the sub-directorate Project Team, so that when the Operational Phase commences, there will be a seamless transfer of the FSG responsibilities and relationships from Mr King to the General Manager.

7.3 The FSG SPV shall govern itself, to the greatest extent possible, in accordance with the Corporate Governance Provisions set forth in the King II Report.

8. CONCESSION CONTRACT RESPONSIBILITIES AND TIMEFRAMES

8.1 The responsibilities of the Programme Manager for each Phase of the Concession Contract will include the responsibility for ensuring that the following actions take place by the specified target date, where applicable:²

Table 1.

Conditions Precedent Phase

	Task	Responsibility	Target Date
1	Register Mohale's Gate site in Concessor's name and rezoned. §2.1.1	Concessor	By the Effective Date – 20 February 2004
2	Construct, or procure provision of utilities & bulk infrastructure excluding solid waste removal, but including a tarred road to the Mohale's Gate Site. §§2.1.2, 8.7	Concessor	Effective Date – 20 February 2004
3	Undertake EIA. §2.1.3	FSG	By the Effective Date – 20 February 2004
4	Deal w/public comments to DEAT & Concessor's satisfaction. §2.1.4	FSG	By the Effective Date – 20 February 2004
5	Deliver Construction & O&M Bonds. §§2.1.5, 18	FSG	By the Effective Date – 20 February 2004
6	Provide notice to persons in charge of land prior to entry. §7.2.2	FSG	Prior to entry
7	Concessor to reasonably assist in obtaining environmental permits. §14.7.	Concessor	EIA authorisation obtained on 5 December 2003

² The description of the "Task" is a summary; the specific requirements shall be as set forth in the Concession Contract provision cited.

Table 2.
Construction Phase

	Task	Responsibility	Target Date
1	Obtain EIA & all other permits & approvals. §§3.1.3, 3.1.4	FSG	Construction commenced 7 June 2004 Other approvals?
2	Procure payment by Blue IQ in accordance with milestones. §§6.3, 6.4	Concessor	Per the Concession Contract Milestones
3	To extent Blue IQ funding insufficient, provide financing. §6.4.4	FSG	If required
4	Provide access to the Concession Area. §§7.3, 8.1	Concessor	Upon completion of Conditions Precedent – 20 February 2004
5	Deliver undisturbed possession of land. §8.1.	Concessor	Prior to date provided in Construction Schedule – 23 April 2004
6	Clearance of Concession Area. §8.2.1.	FSG	Per Construction Schedule – May 2004
7	Obtain permits for clearance of Concession Area. §8.2.2.	FSG	Per Construction Schedule - ??? – SDPs & SAHRA outstanding
8	Indemnify Concessionaire for hazardous materials on site arising prior to delivery of undisturbed possession. §8.2.3.	Concessor	Not required
9	Procedures for “finds”. §8.5.4.	FSG	If required
10	Comply with NHRA, SAHRA & other heritage resource acts. §8.5.	FSG	HIA approval? Permits outstanding
11	Provide relief for delays caused by “finds”. §8.5.6.	Concessor	If required
12	Review & Approve Preliminary & Detailed Design. §9.1	Concessor, for whole of ICC & Wits for Orientation Centre (OC)	Preliminary – Detailed - 9 June 2004
13	Bear all costs of connecting utilities from site boundaries to facilities. §8.7	FSG	Not required

	Task	Responsibility	Target Date
14	Obtain review of Preliminary Design. §§9.1, 9.2.1.	FSG	Achieved
15	After Preliminary Design Approval, issue Notice to Proceed with Detailed Design. §§9.2.4, 9.2.5.	Concessor	Achieved
16	Prepare Detailed Design. §9.2.6.	FSG	Achieved
17	Approve Detailed Design. §9.2.6.	Concessor	Achieved
18	Upon approval of Detailed Design, commence construction. §9.2.9.	FSG	construction commencement – 7 June 2004
19	Obtain approval for modification of approved Detailed Design. §9.2.12.	FSG	Not required
20	Concessor initiated suspension of construction works or variation in Detailed Design. §9.3.1	Concessor	If required
21	Undertake works in accordance with Construction Schedule. §9.4.1.	FSG	Per the Construction Schedule, & dates set out in §10 and §11.
22	Provide notice of delay in Construction Works. §9.4.4.	FSG	If required
23	Enter into Associated Contracts. §9.5.	FSG	Achieved ³
24	Furnish information relating to the Construction Works. §9.7	FSG	Upon Concessor's reasonable request.
25	Costs recoverable from contractors & third parties. §9.8.	FSG	If required
26	Works free from defects. §9.8.2.	FSG	Must forthwith fix defects found w/in 12 months of construction completion.
27	Works at Protected Sites. §9.9.	FSG	If required
28	Commencement of Construction. §10.	FSG	7 June 2004
29	Completion of	FSG	448 working days from

³ Changes to the Associated Contracts may occur in the future.

	Task	Responsibility	Target Date
	Construction. §11.		the later of the date upon which FSG obtained undisturbed possession of both sites and the date when construction commenced at the Sterkfontein site
30	Appointment of Independent Expert i.t.o. Commissioning the works. §13.1.	Concessor and Wits	Ronnie Schloss appointed – date?
31	Notification that construction works have been completed. §§13.2, 13.4.	FSG	If required
32	Independent Expert to issue a Completion Certificate or notice of non-compliance i.t.o. the construction works §§13.3, 13.5.	Independent Expert	Within 5 days of receipt of notice of completion.
33	Remediation of defects and notice of same to Independent Expert. §13.8.	FSG	If required
34	Duty to maintain Construction Bond. §§18.2, 18.12.	FSG	Maintain for 12 months after receipt of Construction Completion Certificate.
35	Duty to reinstate Construction Bond. §18.12.	FSG	Within 14 days of bond drawdown.
36	Duty to maintain insurance during construction. §23.1.	FSG	During the period of any Construction Works.

	Task	Responsibility	Target Date
13.	Exhibition Refreshment. §12.9.	FSG	During Operations Phase of the Contract.
14.	Appointment of Independent Expert i.t.o. Commissioning the works. §13.1.	Concessor and Wits	Within 30 days of Effective Date.
15.	Notification that Exhibition installation is complete. §13.6.	FSG	If required
16.	Independent Expert to issue a Completion Certificate or notice of non-compliance i.t.o. Exhibitions §13.7.	Independent Expert	Within 5 days of receipt of notice of completion.
17.	Remediation of non-compliance and notice of same to Independent Expert. §13.8.	FSG	If required
18.	Duty to maintain Construction Bond. §18.2.	FSG	Maintain for 12 months after receipt of Construction Completion Certificate.
19.	Duty to reinstate Construction Bond. §18.12.	FSG	Within 14 days of bond drawdown.
20.	Duty to maintain insurance during construction. §23.1.	FSG	During the period of any Construction Works.

	Task	Responsibility	Target Date
	Concession Contract. §16.2.2.		
13	Concessor & Wits may inspect ICC. §16.3.1	FSG	If required
14	Notice of failure to Operate & Maintain i.t.o. Concession Contract; FSG's responsibilities. §16.3.2.	Concessor/FSG	14 day Notice period.
15	Use of fossil preparation centre. §16.4.	FSG	If required
16	Sterkfontein Cave Tours. §16.5.	FSG	If required
17	Concession Area Management responsibilities. §17.	FSG	If required
18	Maintain, reinstate Operations & Maintenance Bond. §§18.3, 18.5, 18.6.	FSG	O&M Bond effective from issuance of Construction Works Completion Certificate; maintained annually, 60 days prior to end of year; in effect until 40 days from termination.
19	Notice prior to enforcing O&M Bond. §18.10.	Concessor	14 day Notice period.
20	Reinstatement of O&M Bond. §18.12	FSG	14 days from date of Bond drawdown.
21	Duty to maintain insurance during operations. §23.2.	FSG	During the period from undisturbed possession ending with termination or expiry of Concession.
22	Decision re extension of concession. Clause 3.3.2.5	Concessor parties	If required
23	Final works processes & survey. Clause 16.6	FSG	Complete 12 months prior to expiry of the concession
24	All copies of insurance certificates to concessor by FSG. Clause 23.3.3	FSG	If required

8.2 Further, the DACEL Programme Manager and the FSG General Manager shall ensure that the following rights and obligations are fulfilled at any time during the Concession period:

GENERAL OBLIGATIONS

	Task	Responsibility	Target Date
1	Raise funds from commercial funders and sponsors. Preamble Clause (G).	FSG.	If required
2	Approve new business ventures within the ICC. §1 "Concession Rights".	Concessor and FSG, i.t.o. approval process to be defined.	If required
3	Implement "branding" agreement. [§].	Concessor and FSG.	
4	Comply w/Technical Requirements & Best Industry Practices. §5.1	FSG	From effective date (20 February 2004) to end of concession period
5	Compliance with all applicable laws, regulations & standards. §5.2.	Concessor and FSG	From start of development period (19 October 2003) to end of concession period
6	Concessionaire shall not encumber ICC nor any immovable Project Asset. §5.3.2	FSG	Duration of concession period
7	Obtain Concessor approval to encumber movable assets. §5.3.3.	FSG	If required
8	Obtain Concessor approval to exceed indebtedness limits. §5.4.	FSG	If required
9	Obtain Concessor approval for use of third party assets. §5.5.	FSG	If required
10	Transfer Concession Area, ICC & Project Assets upon Termination free of liens, etc., & in good condition. §5.8.	FSG	At end of concession or upon termination. ICC to be maintained in required condition from 3 years before end of concession period
11	Obtain Concessor approval to enter into Related Party Transactions. §5.9.	FSG	If required
12	Provide for Project Software use & transfer. §5.10.1.	FSG	During the concession period and at end of concession or upon

	Task	Responsibility	Target Date
			termination
13	Making Proprietary Materials available. §§5.10.3, 5.10.4.	FSG	If required and at end of concession or upon termination
14	Indemnify Concessor i.t.o. infringement of 3 rd party rights in Proprietary Materials or Project Software. §§5.10.5, 5.10.6.	FSG	From start of development period (19 October 2003) to end of concession period
15	Obtain approval for use of Concessor Parties' intellectual property. §5.11.	FSG	If required
16	Naming of FSG's business operation. §5.11.6.	Concessor & FSG	If required
17	Grant of Concession Rights. §6.2 & §3.2.1.	Concessor	From Effective date (20 February 2004) to end of concession period
18	Provide assistance to FSG. §7.1.	Concessor	If required
19	Protester Action. §§8.6.2, 8.6.3, 8.6.4.	Concessor & FSG	If required
20	Responsibility for safety & security in Concession Area. §8.8.		From effective date (20 February 2004) to end of concession period
21	Costs recoverable from Contractors & 3 rd parties. §9.8.	FSG	If required
22	Management of Concession Area. §17.	FSG	From effective date (20 February 2004) to end of concession period
23	Payment of Concession Fees. §19.	FSG	No later than 30 days after the end of the concessionaire's financial year
24	Payment Procedures. §27.4.	Concessor & FSG	If required
25	Provisions for Transfer, Dissolution & Disposal of Shares. §§28.1, 28.2, 28.3.	FSG	If required
26	Dispute Resolution. §29	Concessor & FSG	If required
27	Support. §30	Concessor & FSG	If required
28	Confidentiality. §31.2.	Concessor & FSG	From effective date (20 February 2004) to end of concession period
29	Public announcements.	Concessor	If required

	Task	Responsibility	Target Date
	§31.3.		
30	FSG representations & warranties. §32.1.	FSG	Signature date – 19 October 2003
31	Concessor representations & warranties. §32.3.	Concessor	Signature date – 19 October 2003
32	Third party contracts. §35.	FSG	If required
33	Modifications during Concession Period. §36.	FSG	If required
34	Hazard prevention. §37.	Concessor & FSG	From effective date to end of concession
35	Only Standard Bank ATMs permitted. §38.3.	FSG	Concession period
36	Audit on visitor numbers & spend, §3.3.2.4	FSG	No later than 6 months but no earlier than 9 months prior to the end of first concession period
37	Copies of all drawings. clause 9.7.2	FSG	At end of construction phase
38	Identification requirements for access. clause 15	FSG	If required

ENVIRONMENTAL COMPLIANCE

	Task	Responsibility	Target Date
1	Compliance w/COH WHS regulatory provisions, EIA requirements & all valid & enforceable directives or rules issued by Concessor, Wits or any relevant Authority. §14.1.	FSG	From development period (starting 19 October 2003) to end of concession period
2	Compliance w/Sterkfontein-specific legislation. §14.2.	FSG	During development of Orientation Centre
3	Responsible for any material damage to the environment during Concession Period. §§14.3, 14.4.	FSG	If required
4	Duty to appoint environmental control officer. §14.5.	FSG	From start of construction phase (7 June 2004) to end of concession period
5	Duty to control pollution. §14.8.	FSG	From effective date (20 February 2004) to end of concession period
6	Report on schedule 3 compliance – needs agreed process with FSG	FSG	
7	Half-yearly report re environmental compliance. Clauses 14.6 & 24.5	FSG	Half-yearly from the end of the construction phase for the remainder of the concession period
8	Monthly reports re environmental compliance during construction. Clause 14.6	FSG	Monthly for the duration of the construction phase starting 7 June 2004

EMPOWERMENT EMPLOYMENT ISSUES AND SKILLS DEVELOPMENT

	Task	Responsibility	Target Date
1	Comply w/Concessor Empowerment Objectives. §20.1.	FSG	From effective date 20 February 2004 to end of concession period
2	Comply w/regulatory provisions i.t.o. affirmative action and empowerment. §20.1.3.	FSG	From effective date 20 February 2004 to end of concession period
3	Compliance with specific empowerment objectives – Schedule 9. §§20.2, 20.3.	FSG	From effective date 20 February 2004 to end of concession period Concessionaire to provide annual reports on compliance
4	Compliance w/all Labour Laws. §21.1.	FSG	From effective date 20 February 2004 to end of concession period
5	Breach of Labour Laws by employees & penalties. §21.2.	FSG	If required
6	Skills Development i.t.o. Schedule 9. §21.3.	FSG	From effective date 20 February 2004 to end of concession period

THIRD PARTY LIABILITY

	Task	Responsibility	Target Date
1	Concessionaire's Indemnification responsibilities §§22.1, 22.2, 22.3.	FSG	From effective date 20 February 2004 to end of concession period
2	Concessor's Indemnification responsibilities. §22.4.	Concessor	From effective date 20 February 2004 to end of concession period
3	Compliance w/all Labour Laws. §21.1.	FSG	Refer item 4 under previous table
4	Availability of Insurance. §23.3.	FSG	From effective date 20 February 2004 to end of concession period
5	Terms of Insurance. §23.4.	FSG	From effective date 20 February 2004 to end of concession period

FINANCIAL ACCOUNTS AND REPORTS, MANAGEMENT

	Task	Responsibility	Target Date
1	Appointment of Auditors, annual audit reports, record keeping. §24.1.	FSG	Signature date 19 October 2003, audited annually
2	Inspection of financial records. §24.2.	FSG	If required
3	FSG reporting requirements. §24.3.	FSG	If required
4	Half-yearly reports on significant or new matters. §24.4	FSG	From effective date 20 February 2004 to end of concession period
5	Half-yearly environmental compliance reports. §24.5.	FSG	Half-yearly from the end of the construction phase for the remainder of the concession period
6	Periodic Reports & audited financial statements. §24.6. 24.6 – 120 days after financial year end – audited statements 24.6.2.1 – 75 days after financial year end – list of creditors 24.6.2.2 – related party transactions 24.6.2.3 – implementation & progress report etc.	FSG	Annually at the end of the concessionaire's financial year
7	Other mandatory reports. §24.6.2.	FSG	Refer 6 above
8	Delivery of Records. §24.7.	FSG	Period of 120 days after termination of the concession contract
9	Concessionaire Management. §24.8.	FSG	From signature date 19 October 2003 to end of concession period
10	Reporting of changes to corporate documents, organisational structure, Board of Directors, Related Party Transaction, Memorandum of Association. §24.9.	FSG	If required - 35 days prior to event

11	Reporting of "relevant events" i.t.o. extraordinary contracts or liabilities, change in insurance policies and claim brought or threatened likely to have material adverse effect. §24.10.	FSG	If required
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FORCE MAJEURE AND MATERIAL ADVERSE GOVERNMENT ACTION

	Task	Responsibility	Target Date
1	Occurrence of a Force Majeure event. §§25.1, 25.2.	Concessor & FSG	If required
2	Material Adverse Government Action. §§26.1, 26.3, 26.4, 26.5, 26.6.	FSG	If required

TERMINATION

	Task	Responsibility	Target Date
1	Termination by Concessor for FSG fault. §27.1.	Concessor	If required
2	Right to call O&M Bond. §27.1.4.	Concessor	Upon termination by concessor for FSG fault
3	Termination by FSG. §§27.2, 27.2.2.	FSG	If required
4	FSG rights to compensation. §27.2.3.	Concessor	Upon termination by FSG
5	Effect of termination. §27.3.	FSG	Upon termination or expiry of concession contract

9. RELATIONSHIP MANAGEMENT

- 9.1. The responsibility for managing the relationships within the DACEL/Wits Agreement shall be as set forth therein.

- 9.2. The responsibility for the day-to-day management of the Concession Contract for and on behalf of the Concessor shall be the Concessor's Programme Manager.
- 9.3. The Concessor's Programme Manager, in consultation with the FSG counterpart shall, immediately after execution of the Concession Contract, establish the following mechanisms:
- (a) Periodic meeting dates, venues, and standard agenda matters. For the first six (6) months of the Concession Contract, regular meetings will be held between the Concessor's Programme Manager and FSG's authorised representative on a fortnightly basis, and thereafter at such times as is mutually determined; however there shall be at least a monthly meeting.
 - (b) Approval and ratification procedures in terms of all matters in the Concession Contract requiring Concessor approval. Such procedures shall entail processes for the receipt, comment and approval/disapproval of the particular matter within the time periods specified in the Contract, or, where no time periods are specified, within the time periods specified in the procedures.
 - (c) Coordination processes and procedures, including rules for communication.
 - (d) Reporting details, including the name of addressee and the postal and physical address for each report required by the Concession contract or by law.
 - (e) Concession fee payment procedures, including supporting record requirements.
 - (f) Mechanisms for invoking the dispute resolution processes.

9.4. The Concessor's Programme Manager and the FSG counterpart shall, mutually develop the following programmes to be implemented on an annual basis during the term of the Concession Contract, with mutually-agreed upon funding:

(a) A public good/public benefit programme for the enrichment of the residents in the greater Cradle of Humankind World Heritage Site area, including activities such as special events for local:

- i. Schools;
- ii. Religious bodies
- iii. Civic organisations; and
- iv. Community upliftment groups.

(b) A Community Involvement programme lead by the Concessor Parties whereby the greater Cradle of Humankind World Heritage Site Community are informed of the importance of the Cradle of Human Kind World Heritage Site and its place among the various World Heritage Sites throughout the northern and southern hemispheres.

10. AMENDMENT OF CONTRACT MANAGEMENT PLAN

This Contract Management Plan shall be amended from time to time as conditions warrant.

ANNEX A – DACEL/WITS AGREEMENT

ANNEX B – PAYMENT MILESTONES
(to be amended)

24 April 2003

CRADLE OF HUMANKIND
FURNEAUX STEWART GAPP CONSORTIUM
ALL AMOUNTS HEREIN EXCLUDE VAT

**PAYMENT
MILESTONES**

Preparation of Designs & Implementation Mgmt	
Conditions Precedent	3,491,842
Building Plan Submission	5,090,526
Approval of Detailed Design by Dacel (Clause 9.2.6)	13,574,738
Site Establishment	2,941,176
Bulk Earthworks	
Tumulus	1,968,473
Museum Cave	1,154,902
Kiddies Cave	78,480
Amphitheatre	470,000
Sterkfontein-earthworks	3,976,140
Site services	4,899,485
Fencing	1,867,617
Roads & Parking Area	11,617,137
Tumulus	
Structure	
Pile Caps	
Ground Beams	
Sub Structure RFC Columns & Walls	
Waterproofing Sub-Structure	
Surface Bed	3,456,624
RFC Columns (-1)	
RFC Walls (-1)	
Ground Floor Slab	
RFC Columns (GR)	
RFC Walls (GR)	
First Floor Slab	2,645,445
RFC Columns (1st)	
RFC Walls (1st)	
Second Floor Slab	401,101
RFC Columns (2nd)	
Finishes	
Floor: -1	

Superstructure Infill Brickwork	
Plaster & Services 1st Fix	2,789,226
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	899,157
Clean & Snag	
<u>Floor: Ground</u>	
Superstructure Infill Brickwork	
Plaster & Services 1st Fix	6,742,955
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	2,096,631
Clean & Snag	
<u>Floor: 1</u>	
Superstructure Infill Brickwork	
Plaster & Services 1st Fix	3,526,140
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	1,708,236
Clean & Snag	
<u>Floor: 2</u>	
Superstructure Infill Brickwork	
Plaster & Services 1st Fix	3,433.601
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	203,127
Clean & Snag	
<u>Commission Complete Building</u>	1,595,829
Museum Cave	
<u>Zone 1</u>	

Structure	
Sub Structure RFC Columns & Walls	
Surface Bed	433,572
RFC Columns	
RFC Walls	
Roof Slab	1,640,865
Finishes	
Superstructure Infill Brickwork & Sundries	
Plaster & Services 1st Fix	1,564,550
Ceilings	
Services 2nd Fix	
Sundry Finishes	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	1,487,780
Cave Fin Walls & Retaining Walls	
Clean & Snag	

Zone 2

Structure	
Sub Structure RFC Columns & Walls	
Surface Bed	433,572
RFC Columns	
RFC Walls	
Roof Slab	1,640,865
Finishes	
Superstructure Infill Brickwork & Sundries	
Plaster & Services 1st Fix	1,564,550
Ceilings	
Services 2nd Fix	
Sundry Finishes	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	1,487,780
Cave Fin Walls & Retaining Walls	
Clean & Snag	

Zone 3

Structure	
Sub Structure RFC Columns & Walls	
Surface Bed	433,572

RFC Columns	
RFC Walls	
Roof Slab	1,640,865
Finishes	
Superstructure Infill Brickwork & Sundries	
Plaster & Services 1st Fix	1,564,550
Ceilings	
Services 2nd Fix	
Sundry Finishes	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	1,487,780
Cave Fin Walls & Retaining Walls	
Clean & Snag	
<u>Commission Complete Building</u>	307,606
Kiddies Cave	
Structure	
Substructure Foundations	196,343
Surface Bed	
RFC Columns	
RFC Walls	
Roof Slab	
Finishes	
Superstructure Infill Brickwork	
Plaster & Services 1st Fix	523,583
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	536,018
Clean & Snag	
Commission Complete Building	25,119
Market	
Paving	
Roof Structure	
Services 1st & 2nd Fix	
Specialist Fittings	
Lock Up Facilities	1,375,588

Install Primary Beacons	2,889,335
Entrance	
Foundations	
Superstructure & Finishes	945,214
Clean & Snag	
Sterkfontein Site Upgrade / Refurbishment	
Foundations	
Superstructure	3,037,629
Services 1st Fix	
Services 2nd Fix	
Finishes	3,091,752
Provision for Upgrading Roads, Carpark Area, etc	
Provision for Services & General Siteworks	2,430,264
TOTAL: CONSTRUCTION	136,795,001
EXHIBITIONS	
Submit storylines - 1st draft	1,325,000
Approval of storylines	2,876,000
WTM-London display travelling exhibit	8,275,000
Submit concept design for Travelling Scientific Exhibition	6,276,000
Submit detailed design for Travelling Scientific Exhibition	5,184,000
Submit working drawings and artwork for interpretation	6,484,000
Start installation for interpretation	5,458,000
Installation for interpretation	3,398,000
Test & Commission	1,929,000
TOTAL: EXHIBITIONS	41,205,000
TOTAL: EX. VAT	178,000,001

Clean & Snag	
Commission Complete Building	27,512

Amphitheatre

Foundations	
Superstructure	942,448
1st Fix Services	
2nd Fix Services	
Finishes	842,313
Clean & Snag	
Commission Complete Building	35,695

Learner's Accommodation

Foundations	
Superstructure	1,236,962
Services 1st Fix	
Services 2nd Fix	
Finishes	845,257
Clean & Snag	
Commission Complete Building	41,644

Luxury Tented Accommodation

Foundations	
Superstructure - Brickwork & Plaster	5,827,795
Superstructure - Fabric	1,059,599
Services 1st Fix	
Services 2nd Fix	
Finishes	3,814,557
Clean & Snag	
Commission Complete Building	214,039

Siteworks

Install Services Reticulation	
Water	
Sewer	
Stormwater	
Electrical	2,452,131
Landscaping	4,298,219
Fencing	
Roadworks	3,789,490
Prepare Parking Area	
Refuse Yards / Workshops	
External Lighting	

ANNEX C – FSG ORGANISATIONAL STRUCTURE

ANNEX D – RISK MATRIX TABLE
(incorporate additional clauses if necessary)

CONDITIONS PRECEDENT PHASE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Register Mohale's Gate site in Concessor's name and rezone. §2.1.1				Matter is in control of CONCESSOR, which has cooperation of DM.
Provision of utilities & bulk infrastructure, excluding solid waste removal, but including tarred road to Mohale's Gate site.				FSG, by contract, will provide bulk wastewater treatment facilities to both sites; mitigating factor is FSG cannot undertake operation until facilities built and operating.
Undertake EIA. §§2.1.3,2.1.4.				Construction cannot commence until accomplished.

CONSTRUCTION PHASE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Obtain EIA & all other permits & approvals. §§3.1.3, 3.1.4.				Construction cannot commence until accomplished.
Procurement payment by Blue IQ in accordance w/milestones. §6.3.				Payment only due upon certification of retained expert, in accordance with construction milestones.
Use of Blue IQ Deferred Share proceeds. §6.4.				Construction bond.
Deliver access & undisturbed possession of both sites. §§7.3, 8.1.				Matter is in control of CONCESSOR/Wits.
Clearance of Concession Area. §8.2				Construction bond.
Discovery of hazardous materials. §8.2.3.				Wits has control over Sterkfontein site; CONCESSOR may have a claim against grantor of Mohale's Gate site.
Delay in construction caused by "finds". §§8.5.4, 8.5.6.				Concession contract process for providing relief in such instances.
Physical Conditions. §8.6.1.				FSG bears all risks in this regard.
Obtain Preliminary Design Approval. §§9.1, 9.2.1				Concession contract processes for approving Preliminary Design.

Obtain Detailed Design Approval. §9.2.6.			Concession contract processes for approving Detailed Design.
W/ Detailed Design Approval, construct ICC. §§9.2.9, 10.			Construction bond.
Provision of Construction Works Information. §9.7.			Construction bond.
Works free from defects. §9.8.2			Construction bond.
FSG restricted activities in Protected Sites. §9.9.			Could be a Material Breach.
Complete construction in 448 days. §11.			Construction bond.
Remediate any construction defects. §13.6.			Construction bond.
Insurance during construction. §23.1.			Insurance requirement of Concession Contract.

EXHIBITION INSTALLATION PHASE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Obtain approval for proposed exhibition. §12.3.				Concession Contract has processes, including dispute resolution.
Design, construct temporary & permanent exhibitions i.t.o. Technical Requirements. §§12.1, 12.2, Schedule 14.				Construction Bond.
Use of fossils. §12.8.				Concession Contract has processes providing for use of fossils.
Exhibition Refreshment. §12.9.				Concession Contract has processes providing for regular refreshment.
Remediate any non-compliant exhibition construction. §13.6.				Construction bond.
Insurance during Exhibition installation & operation. §§23.1, 23.2.				Insurance requirements of Concession contract.

OPERATIONS PHASE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Operate & maintain the ICC i.t.o. the Concession contract.				Operations and Maintenance Bond.

§16.1			
Insurance during operations. §23.2.			Insurance requirements of Concession contract.

AT ANY TIME – ENVIRONMENTAL COMPLIANCE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Compliance with COH WHS regulatory provisions, EIA requirements & all valid & enforceable directives or rules issued by Concessor, Wits or any Relevant Authority. §14.1.				The legal and regulatory authority possessed by CONCESSOR and/or the Province of Gauteng; the Construction bond and the O&M bond.
Compliance with Sterkfontein-specific legislation. §14.2.				Enforcement of the cited legislation; the Construction bond and the O&M bond.
Material damage to env. During Concession Period. §§14.3, 14.4.				Concessor's enforcement authority; Construction bond & the O&M bond.

AT ANY TIME – GENERAL OBLIGATIONS

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Approval for any new business to operate within the ICC. §1, definition of "Concession Rights."				Concessor can condition approval of any new business as it deems fit, consistent w/ general tenor of the Concession Contract.
Approval for branding proposal. §[].				Concessor can condition approval of branding proposal as it deems fit, consistent with the general tenor of the Concession Contract.
Compliance w/Technical Requirements & Best Industry Practice. §5.1.				Construction and O&M Bond.
Compliance w/laws, regulations & standards. §5.2.				CONCESSOR is a regulatory authority in its own right.
Approval to encumber assets. §5.3.2.				Concessor can condition approval of encumbering based upon standards defined in the Concession contract.
Approval to exceed indebtedness limits. §5.4.				Requires written approval from Concessor.
Approval for use of				Requires written approval from

third party assets. §5.5.			Concessor/Wits, as appropriate.
Transfer of Concession Area, ICC & Project Assets upon Termination free of liens, etc., & in good condition. §5.8.			Concession Contract spells out inspection & certification processes in this regard; O&M bond.
Approval to enter into Related Party Transactions. §5.9.			Requires written approval from Concessor.
Project Software use & transfer. §5.10.1.			Requires grant of license upon termination or prior written approval where license not granted.
Availability of Proprietary Materials. §§5.10.3, 5.10.4.			Requires making Proprietary Materials available, if owned by Concessionaire, & if not owned, either a license, or written approval where license not granted.
Infringement of third party rights in Proprietary Materials or Project Software. §§5.10.5, 5.10.6.			FSG indemnifies Concessor for any claims by third parties for infringement of rights in Proprietary Materials or Project Software by Concessor or FSG during Concession Period.
Approval for use of Concessor Parties Intellectual Property. §5.11.			FSG must obtain written approval from Concessor or any Concessor party for use of its Intellectual Property.
Naming of FSG's business operation. §5.11.6.			Must have Concessor's approval.
Grant of Concession Rights. §6.2.			Within the control of the Concessor.
Protester Action. §§8.6.2, 8.6.3, 8.6.4.			Parties to take reasonable steps to mitigate; FSG solely responsible for protester action arising from its breach, default or negligence.
Responsibility for safety & security at Concession Area. §8.8.			Construction bond; O&M bond.
Costs recoverable from Contractors and Third Parties. §9.8.			Construction bond; O&M bond.
Management of Concession Area. §17.			Construction bond; O&M bond.
Payment of Concession Fees. §19.			Construction bond; O&M bond.
Payment Procedure. §27.4.			Each Party entitled to receive interest where payment not timeously made.
Transfer, Dissolution &			Construction bond; O&M bond.

Disposal of Shares. §§28.1, 28.2, 28.3.				
Release of Confidential Information. §31.2.6.				Cross-indemnifications.
Representations & Warranties by FSG. §32.1.				Could be a material breach.
Representations & Warranties by Concessor. §32.3.				Could be a material breach.
Hazard Prevention. §37.				Mutual obligation.
Only Standard Bank ATM @ ICC. §38.3.				Could be a material breach.

ANY TIME – EMPOWERMENT EMPLOYMENT ISSUES AND SKILLS DEVELOPMENT

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Comply w/Concessor Empowerment Objectives. §20.1.				Compliance w/Schedule 9 should ensure.
Compliance w/specific Empowerment Obligations. §20.2				Penalty Clause in Schedule 9.
Compliance w/Labour Laws. §21.1.				Construction bond; O&M bond.
Breach caused by Employees & Penalties. §21.2.				Disciplinary Code penalties; damages; Construction bond; O&M bond.
Skills Development. §21.3.				Subject to Schedule 9 penalties.

ANY TIME – THIRD PARTY LIABILITY

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Concessionaire Indemnification. §§22.1, 22.2.				Insurance; Construction bond; O&M bond.
Concessor Indemnification. §22.4				None.
Availability of Insurance. §23.3.				Independent insurance expert.

ANY TIME – FINANCIAL ACCOUNTS AND REPORTS, MANAGEMENT

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Appointment of Auditors, annual audit,				Construction bond; O&M bond.

record keeping. §24.1.				
Inspection of financial records. §24.2.				Construction bond; O&M bond.
FSG reporting requirements. §24.3				Construction bond; O&M bond.
FSG half-yearly reports on significant or new matters. §24.4.				Construction bond; O&M bond.
FSG half-yearly environmental compliance reports. §24.5.				Construction bond; O&M bond.
Periodic Reports. §24.6.				Construction bond; O&M bond.
Delivery of Records. §24.7.				Construction bond; O&M bond.
Concessionaire Management. §24.8.				Construction bond; O&M bond.
Reporting of Changes. §§24.9, 24.10.				Construction bond; O&M bond.

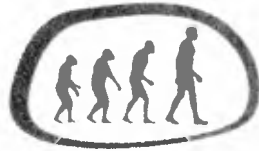
ANY TIME – FORCE MAJEURE AND MATERIAL ADVERSE GOVERNMENT ACTION

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Occurrence of a Force Majeure event. §§25.1, 25.2.				Mutual obligations and responsibilities; insurance.
Material Adverse Government Action. §§26.1, 26.3, 26.4, 26.5, 26.6.				Extension of Concession Period.

ANY TIME – TERMINATION

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Termination by Concessor for Concessionaire Fault. §27.1.				Construction bond; O&M bond.
Termination by Concessionaire. §27.2.				Formula for calculating damages and amounts payable set forth in the Concession contract.
Effect of Termination. §27.3.				Rights of Concessor set forth in the Concession contract; Construction bond; O&M bond.

ITEM	RESOLUTION	RESPONSIBLE PERSON	TIMEFRAME	STATUS
Plan For The Strategic Repositioning Of Maropeng	That the Plan for the Strategic Repositioning of Maropeng be approved.	Dawn Robertson	Approved	Approved
	That the Department should proceed with the international call for expression of interest			



cradle of humankind trust

CRADLE OF HUMANKIND WORLD HERITAGE SITE

**MEETING TO FINALISE EXPRESSION OF INTEREST DOCUMENT FOR THE
FUTURE MANAGEMENT OF STERKFORTEIN AND MAROPENG AS PER
GAUTENG EXECUTIVE COUNCIL DECISION OF SEPTEMBER 2013**

8 OCTOBER 2013

A G E N D A

CHAIRPERSON: MAGS PILLAY

1. OPENING AND WELCOME
2. APOLOGIES
3. ADOPTION OF AGENDA
4. REVIEW OF DRAFT EOI DOCUMENT
5. DISCUSSION
6. OTHER MATTERS FOR DISCUSSION
7. WAY FORWARD WITH REGARD TO EOI DOCUMENT
8. NEXT MEETING
9. CLOSURE



DRAFT

REQUEST FOR EXPRESSION OF INTEREST FOR PPP OPPORTUNITIES

REQUEST FOR EXPRESSION OF INTEREST ISSUED BY THE GAUTENG TOURISM AUTHORITY (OPERATING AS A TRADING ENTITY WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT) FOR MARKET TESTING FOR THE DEVELOPMENT OF ONE OR MORE PPPS IN TERMS OF CERTAIN ELEMENTS OF THE OFFERINGS AT STERKFORTEIN AND MAROPENG IN THE CRADLE OF HUMANKIND WORLD HERITAGE SITE

Released:
(Insert date)

Submission Close:
(Insert date)

Queries in writing to:
Mr Mags Pillay
mags@gauteng.net

IMPORTANT NOTICE

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The EOI has been provided to the recipient to assist it in making its own appraisal of the opportunities presented herein. However, this EOI is not intended to serve as the basis for an investment decision on the opportunities described and each recipient is expected to make such independent investigation and to obtain such independent advice, as he or she may deem necessary for such a decision.

GTA may amend or replace any information contained in this EOI at any time, without giving prior notice or providing any reason.

This EOI is not a procurement document.

return on investment. In return, the private party will meet agreed environmental, developmental, operating and broad-based BEE obligations and pay a concession fee to GTA. At the end of the agreement term, the facility will revert back to the GTA.

- 2.9 If sufficient interest is indicated to the GTA by the responses submitted to this EOI, a bid process will follow and all parties that submitted an EOI will be invited to bid, together with any other qualified organizations that chose not to respond to this EOI.
- 2.10 GTA is following the PPP feasibility and procurement processes as set out in the *National Treasury's PPP Toolkit for Tourism*. The toolkit can be downloaded from www.ppp.gov.za.

3. GTA's vision , mission and key strategic objectives:

- 3.1 The Gauteng Tourism Authority (GTA) is founded by the Gauteng Tourism Act, no. 10 of 2001, which prescribes the function of the GTA as follows:

"To provide for the promotion and sustainable development of tourism in Gauteng; to establish the Gauteng Tourism Authority; to confer powers and functions and impose duties upon the Authority; to establish the Tourism Advisory Committee; to establish a tourism development fund; to provide for registration of tourist guides, tour operators, couriers, accredited training providers in the tourism industry, hotels, conference centres, restaurants, designated tourism amenities and other accommodation establishments and possible future functions relating to these categories; and to provide for matters incidental thereto."

- 3.2 GTA's Vision and Mission:

GTA was established as a trading entity in line with Treasury Regulation 19.4 to the PFMA and is currently operating under the auspices of the Gauteng Department of Economic Development ("DED") The core mandate of GTA is to develop, promote, coordinate and facilitate responsible tourism in the Gauteng global city region.

- 3.2 The GTA's operations are totally guided by its vision statement which is to position Gauteng as a globally competitive destination of choice.

- 3.3 GTA's strategic objectives are as follows:

- create and promote a world class tourist destination;
- contribute towards tourism sector industry development;
- facilitate industry coordination and cooperative governance;
- foster a responsible and sustainable tourism industry;
- implement progressive cooperative governance practices.

4. Articulation of GTA's Commercialisation Strategy and Objectives:

- 4.1 Global conventions and programmes alone are not enough to ensure continued existence of and sufficient funding for protected areas. In times

- (viii) Tourism promotion; and
- (ix) Further biodiversity protection and conservation.

5. GTA's, through DED's, legal rights to enter into PPP Agreements for the development and commercial elements in the COH WHS:

5.1 The following Act (World Heritage Convention Act, 1999 (Act No. 49 of 1999) protects the environment in the COH WHS area as indicated.

5.2 The Act provides for:

- (a) The cultural and environmental protection and sustainable development of, and related activities within, World Heritage Sites and giving effect to the values of the Convention
- (b) make the Convention part of South African domestic law and to create a framework to ensure that the Convention and the *Operational Guidelines for the Implementation of the World Heritage Convention* are effectively implemented in the Republic, subject to the Constitution and the provisions of this Act;
- (c) promote, manage, oversee, market and facilitate tourism and related development in connection with World Heritage Sites in accordance with applicable law, the Convention and the Operational Guidelines in such a way that the cultural and ecological integrity is maintained;
- (d) ensure that everything done in terms of this Act conforms with the obligations of the Republic in terms of the Convention and the Operational Guidelines;
- (e) ensure the identification and transmission to future generations of the cultural and natural heritage of the Republic; ??? not sure that this should be included
- (f) ensure that effective and active measures are taken for the protection, conservation and presentation of the cultural and natural heritage of the Republic;
- (g) encourage investment and innovation in connection with World Heritage Sites;
- (h) encourage job creation in connection with World Heritage Sites;
- (i) promote the development of culturally, environmentally and, if applicable, economically sustainable projects in connection with World Heritage Sites; and
- (j) promote empowerment and advancement of historically disadvantaged persons in projects related to World Heritage Sites.

5.3 The act allows the Management Authority of the COH WHS (under GTA) to carry out or allow –

- (i) commercial activity on the site, aimed at raising revenue;
- (ii) allow any activity that may not negatively affect the survival of any species in or significantly disrupt the integrity of the ecological systems of the site;
- (iii) any activity carried out lawfully in terms of any agreement which exist when this section takes effect may continue until the date of termination of such agreement, provided that the agreement may not be extended or varied so as to expire after

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Comment [m1]: Well this is part of the mandate of the WHCA

6.43 Wits is the owner of the Sterkfontein site as well as much of the intellectual property associated with the site and GPG is the owner of the ICC / Maropeng Visitor Centre site as well as the intellectual property associated with the COH WHS. The two facilities are currently managed by GPG and Wits jointly.

6.54 The key imperative of the Sterkfontein and Maropeng visitor facilities and museums is to promote South African cultural and national heritage, along with a sense of pride in Africa and South Africa specifically, in terms of the World Heritage Convention Act, especially in terms of the importance that Africa has played in the story of our common ancestry.

6.65 Maropeng is the primary exhibition centre for the COH WHS, where some of the most important and prolific discoveries of the evidence of human origins can be found. It is a place of learning and enjoyment, a place of pilgrimage and exploration for diverse audiences to better understand our past and contemplate our uncertain future.

6.76 Sterkfontein provides an authentic cave experience and is the primary hominid exhibition centre with a more scientific focus on the story of human evolution. Both these facilities provide a platform for the celebration of the African origins of humankind, our common humanity, the impact of humanity on the environment and its social context.

6.87 The objective in concessioning the facilities is to provide access to and interpretation of the world heritage site for South Africa, African and international visitors with a story line that celebrates the African origins of humankind and which has educational, scientific and cultural value and accuracy, and which is entertaining and highly interactive. The development of tourism to the World Heritage site is also a means of leveraging and enhancing economic and social development in an economically challenged area of Gauteng province.

6.98 The Interpretation Centre Complex (ICC) or Maropeng Visitor Centre and the revamped Sterkfontein facility were opened to the public in December and October 2005 respectively. The PPP agreement is no longer in existence since the withdrawal of the major shareholder in MAL in July 2010 but the facility is still running with GPG and Wits jointly managing the project.

6.109 In addition to the investment in the construction of the ICC facilities, the GPG has invested an amount in excess of R250 million in roads, bulk and other infrastructure.

6.119 It is clear that the COH WHS project represents a strategic asset for the province, the nation and indeed the world. The historical and cultural underpinnings of the site make it a key educational tool for the explanation and interpretation of the origins of humankind and our common ancestry which can be traced back to the African continent. This globally unique site provides a platform for further explanation of the human condition due to its profound scientific worth. Therefore the GPG has considerable interest in the retention of its importance and adhering to obligations set forth by UNESCO.

(outside the main exhibition area at Maropeng) as well as the picnic sites soon to be established at Maropeng;

- (ii) Management of Hominid House, the learner facility at Maropeng;
- (iii) Management of the Amphitheatre at Maropeng ;
- (iv) The development of disabled facilities and children's activities at Maropeng and Sterkfontein.

8. Elements of the Project to be made available:

The following will be made available or is currently in existence at the two sites:

- (i) Functional restaurants at Sterkfontein and Maropeng; an existing Coffee Kiosk facility outside the main exhibition area at Maropeng that is currently non-functional; picnic sites to be built at Maropeng
- (ii) Maropeng Hotel;
- (iii) A functional and currently operating learner facility at Maropeng (Hominid House);
- (iv) A 5000 seat amphitheater facility at Maropeng with the potential to host musical events and other attractions to increase footfall;
- (v) The development of disabled facilities and children's activities at Maropeng and Sterkfontein.

TAKE NOTE:

Responders are invited to submit an EOI on each of the foregoing individually, or on such pairing of the elements as are of interest to the Responder.

In addition to this, the following upgrades are currently completed or underway at Sterkfontein and Maropeng, amongst others:

- (a) The upgrading and additions to the exhibitions at Sterkfontein and Maropeng, including the installation of a 'virtual' laboratory where the public can view scientists at work on original fossils; ;
- (b) The external upgrades at Maropeng including the development of picnic sites, additional rooms at the hotel, the upgrading of the learner accommodation, amphitheater and the development of a coffee kiosk;
- (c) The installation of a fossil casting facility at the Sterkfontein site employing local community members to undertake fossil casting;
- (d) The promotion of locally produced craft through the 'Hands that Rock the Cradle' project with an outlet situated at the Maropeng marketplace;
- (e) The construction of a bird hide and 2,6km nature walk at Maropeng that winds through the indigenous grassland environment with the opportunity to see rare bird species such as the Cape Vulture and many other species;

- (iii) Tourism promotion;
- (iv) Optimisation of state land; and
- (v) Biodiversity protection and conservation;-
- (v)(vi) Overall promotion of the COH WHS.

12. ENVIRONMENTAL COMPLIANCE; BLACK ECONOMIC EMPOWERMENT AND SOCIAL DEVELOPMENT

12.1 It is intended that by GTA entering into a PPP with a private party, GTA will be able to generate additional revenue through concession fees paid to GTA by the private party, while enabling GTA to focus on its core activity of tourism and the management of the COH WHS. It is intended that the project will be developed by the private parties in compliance with strict environmental standards set by GTA.

12.2 In keeping with GTA's objectives, particular attention will be paid to the implementation of Broad-Based Black Economic Empowerment ("BEE"), particularly those from local communities adjacent to the demarcated area. In this regard, GTA will be required that interested Parties confirm their willingness to promote BEE by entering into an agreement with the local community in terms of community social development as well as employment of suitably qualified local community members.

13. BRIEFING SESSION AND SITE VISIT

13.1 A non-compulsory tour of the Maropeng and Sterkfontein facilities will be undertaken on _____. Potential Responders shall gather at the entrance to Maropeng by 09h45 on that day. Copies of the last three Annual Reports of the Cradle of Humankind will be available to attendees.

13.2 A briefing session will be held at:

Address:

Date:

Time:

13.3 To attend, interested parties should register by: (insert date)

Contact person: Mr Mags Pillay

E-mail: mags@gauteng.net

Tel: 011 085 2482

Cell: 083 647 5088

- 15.7 The Company's profile and experience in the tourism industry including a statement as to the experience and expertise of the Responder in terms of each element or combination of elements as to which a Response is being submitted;
- 15.8 Names and locations of current operations;
- 15.9 Market segment(s);
- 15.10 Number of years in operation;
- 15.11 Number of visitors per year for last three years (if possible);
- 15.12 Annual turnover per year for last three years (if possible);
- 15.13 Black economic empowerment profile measured by the Tourism BEE scorecard (available on www.dea.gov.za). If a corporation, an original copy of its B-BBEE Certificate issued by an accredited empowerment rating entity; if a potential consortium, an original copy of the B-BBEE Certificate issued by an accredited empowerment rating entity of the potential lead member of such consortium plus the B-BBEE certificates for each potential member of the consortium;
- 15.14 Memberships/affiliations;
- 15.15 If a corporation, an original copy of its Tax Clearance Certificate; if a potential consortium, an original copy of the Tax Clearance Certificate for the potential lead member thereof plus the Tax Clearance Certificates for each potential member of such consortium;
- 15.16 If a corporation, certified copies of the annual report filed for such corporation for the last three years; if a potential consortium, certified copies of the annual report filed for the potential lead member of such consortium for the last three years plus the annual reports filed for each potential member of the consortium for the last three years; and
- 15.17 A signed copy of the below-listed declaration signed by a duly-authorized member of a Responder that is a firm, or, if a potential consortium, signed by a duly-authorized person representing the potential lead firm and further signed by duly-authorized representatives of the other potential members of the consortium:

"I, _____, on behalf of _____ do hereby affirm that I understand that operation of one or more elements of the COH WHS facilities located at Maropeng and Sterkfontein as a PPP means that the criteria for adjudicating any subsequent tender conducted by WITS and the Province of Gauteng will be in terms of National Treasury Regulation 16 and the *PPP Manual (2004)* issued by National Treasury."

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This EOI is not a procurement document.



CRADLE OF HUMANKIND WORLD HERITAGE SITE

MEETING TO FINALISE EXPRESSION OF INTEREST DOCUMENT FOR THE
FUTURE MANAGEMENT OF STERKFORTEIN AND MAROPENG AS PER
GAUTENG EXECUTIVE COUNCIL DECISION OF SEPTEMBER 2013

8 OCTOBER 2013

A G E N D A

CHAIRPERSON: MAGS PILLAY

1. OPENING AND WELCOME
2. APOLOGIES
3. ADOPTION OF AGENDA
4. REVIEW OF DRAFT EOI DOCUMENT
5. DISCUSSION
6. OTHER MATTERS FOR DISCUSSION
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ABBREVIATIONS

BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
CEO	Chief Executive Officer for Gauteng Tourism Authority/ Cradle of Humankind World Heritage Site
DED	Gauteng Department of Economic Development
COH WHS	Cradle of Humankind World Heritage Site
GTA	Gauteng Tourism Authority
GPG	Gauteng Provincial Government
MEC	Member of the Executive Council
PPP	Public-Private Partnership
SMMEs	Small, medium and micro enterprises
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WHS	World Heritage Site



DRAFT

REQUEST FOR EXPRESSION OF INTEREST FOR PPP OPPORTUNITIES

REQUEST FOR EXPRESSION OF INTEREST ISSUED BY THE GAUTENG TOURISM AUTHORITY (OPERATING AS A TRADING ENTITY WITHIN THE DEPARTMENT OF ECONOMIC DEVELOPMENT) FOR MARKET TESTING FOR THE DEVELOPMENT OF ONE OR MORE PPPS IN TERMS OF CERTAIN ELEMENTS OF THE OFFERINGS AT STERKFORTEIN AND MAROPENG IN THE CRADLE OF HUMANKIND WORLD HERITAGE SITE

Released:
(Insert date)

Submission Close:
(Insert date)

Queries in writing to:
Mr Mags Pillay
mags@gauteng.net

1. Important General Notes:

- 1.1 The Gauteng Tourism Authority (“GTA”) requests Expressions of Interest (“EOIs”) for the future management, commercial use and development of certain identified visitor facilities at the Maropeng and Sterkfontein sites in the Cradle of Humankind World Heritage Site (“COH WHS) through a possible Public Private Partnership (“PPP”).
- 1.2 This request is issued by the GTA in accordance with guidelines for PPPs contained in the *National Treasury’s PPP Toolkit for Tourism*, and in compliance with Treasury Regulations 16 and 16A issued in terms of the Public Finance Management Act (“PFMA”).
- 1.3 GTA makes no guarantees about and takes no responsibility for the accuracy and completeness of the information contained in this EOI request and disclaims any liability for any consequences which may result from the use of the information by any person or firm.
- 1.4 This request for EOI is not intended to serve as the basis for an investment decision. Each recipient is expected to make an independent investigation in terms of all information provided herein and to obtain the necessary independent advice before submitting a response to this request for EOI.
- 1.5 GTA may change or replace any information contained in this request for an EOI, without giving any prior notice or providing any reason.

2. The purpose and limits of the EOI process:

- 2.1 GTA is currently investigating the desirability of issuing tenders for the provision of services in terms of various visitor facilities situated within the COH WHS.
- 2.2 As part of establishing the market interest for these PPP opportunities, the GTA invites prospective service providers to submit a response to this EOI in the format described in this document.
- 2.3 The purpose of this EOI is solely to assess the level and type of market interest in these prospective undertakings and in order to enable GTA to make an informed decision about whether to proceed with them. GTA reserves the right not to proceed any further with any proposed PPP.
- 2.4 If sufficient market interest is displayed for a particular PPP opportunity and GTA decides to tender for a PPP, GTA will use the EOI information received to compile and issue bid documentation in accordance with applicable legislation.
- 2.5 GTA reserves the right to request any interested party that submits a response to this EOI proposal to clarify any of its submissions.
- 2.6 Submitting an EOI does not constitute a bid. No interested party will be bound by anything contained in the EOI submission. The information in the EOI will be used solely for GTA to complete its market appraisal and to prepare bid documentation if it decides to proceed with any PPP.
- 2.7 The purpose of this EOI is to identify business opportunities within the COH WHS, which may best be provided by the private sector and which demonstrate value-for-money to the GTA.
- 2.8 In a typical PPP agreement, the private party is granted rights to develop, maintain, operate and commercially use certain identified tourism facilities on state conservation land for a period likely to provide a fair

| of fiscal austerity, tightening of government budgets, especially in developing countries which are home to much of the world's biodiversity – traditional funding resources are increasingly under threat. Innovative alternatives to these traditional sources are needed in order to secure long term viability.

4.2 In order to encourage greater efficiency in the delivery of public services, the Cabinet in April 1997 approved the establishment of an interdepartmental task team chaired by the Department of Finance, to explore how PPPs could improve infrastructure and service delivery efficiency and make more efficient use of under- utilized state assets. The key objectives of this programme were to develop a package of cross-sectoral and inter-institutional policies and legislative and regulatory reform.

4.2 Currently the DED is articulating the need for GTA to prepare for a lesser dependence on state funding, while increasing existing operational efficiencies, which could be aimed at funding essential conservation requirements. That does not imply that GTA has to be independent of the State but rather that collective funding sources (i.e. state funding, private donations, tourism activities, commercialization and leveraging of private funds) be able to support the businesses run by GTA. Sustainable tourism development depends on a partnership and balance between social, technical, economical, the environment and political values and benefits.

4.3 Following the above, significant developments have been taking place in the PPP Tourism area of which the COH WHS project features in Gauteng. Accordingly, GTA has a strategy to learn and benefit from these former projects by:

- (i) Incorporating the experience and specialist skills acquired;
- (ii) Lessons learnt from the implementation of PPPs; and
- (iii) Innovative application of legislative requirements.

4.4 The objective of the strategy is to ensure that GTA has the fundamentals, including capacity, in place for managing existing PPPs and for entering into new PPPs successfully. In addition, GTA has a responsibility towards creating tourism infrastructure on a long term basis; hence such infrastructure will enable South Africa to compete with global tourism destinations like Brazil, Thailand etc. Commercialisation through PPPs provides GTA the opportunity to achieve this goal.

4.5 High-level commercialisation objectives for GTA include the following:

- (i) Revenue Generation;
- (ii) Loss minimization or savings on existing operations;
- (iii) Optimal use of under-performing assets;
- (iv) Job creation;
- (v) Broad-based Black Economic Empowerment;
- (vi) Infrastructure upgrades;
- (vii) Upgrade/development of historical and/or cultural sites;

the original intended expiry date without the consent of the Member of the Executive Council (“MEC”).

5.4 The Management Authority (under the GTA) also has the functions which include inter alia the responsibility to:

- (i) protect, conserve and control all protected areas under its management including all biodiversity found therein;
- (ii) to carry out any development and construct or erect any works necessary for the management of the area;
- (iii) take reasonable steps to ensure the security and well-being of visitors and staff;
- (iv) provide accommodation and facilities for visitors and staff;
- (v) carry on any business or trade or provide other services for the convenience of visitors and staff;
- (vi) determine and collect fees for entry or stay in the area or for any service provided by it;
- (vii) authorise any person, subject to such conditions and the payment of such fees as it may determine, to carry on any business or trade or provide any services which GTA may carry on or provide in the area;
- (viii) the development of commercial facilities on the site would amount to the provision of facilities for visitors and GTA shall specifically provide such authorization;
- (ix) the GTA has the right to acquire and dispose of any rights in respect of immovable property, or hire or let any property for purposes of performing any of its function under ~~sin~~ any protected area placed under its management and control.

6. Background

6.1 The Cradle of Humankind World Heritage Site (“COH WHS”) is an area that covers approximately 47 000 hectares and was declared a World Heritage Site (“WHS”) by the United Nations Education, Scientific and Cultural Organisation (“UNESCO”) in 1999.

6.2 In October 2003, after a procurement process conducted in terms of PFMA Regulation 16, a PPP agreement was executed between Concessor Parties¹ and Maropeng a Afrika Leisure (Pty) (Ltd)(MAL), for the construction and operation of visitor centres at Maropeng and the Sterkfontein Caves.

6.32 The Maropeng visitor centre includes a 2,500 m² exhibition centre, a 5,000 person capacity outdoor amphitheatre, conferencing and banqueting facilities with a capacity of up to 500 people, an upmarket restaurant, two cafeterias, a 24 bedroom, 4 star boutique hotel, a 120 bed learner accommodation facility and a retail outlet. Maropeng also operates the visitor centre at the Sterkfontein Caves site, which offers an upgraded specialist exhibition centre and cave tour, public viewing platforms for viewing of the excavations, a fossil preparation laboratory, 100 seat conference facilities and a restaurant.

¹ The Concessor Parties were the COH WHS Management Authority, the University of the Witwatersrand, the Cradle of Humankind Trust and Blue IQ Investment Holdings (Pty) Ltd.

6.124 In view of the importance of Maropeng and Sterkfontein, the site is able to offer a valuable mechanism through which tourism may be promoted, employment created and a value proposition formulated. In addition, the site also gives a unique experience to visitors in an environment that is sensitive to the fauna, flora and certainly the objectives of the COH WHS.

6.132 Therefore there is a need to ensure that mechanisms are put in place to create one or more viable business entities that will guarantee sustainability and increase visitation to the site through the improvement and optimally managed visitor centres of Sterkfontein and Maropeng.

6.143 The envisaged development of certain facilities at the visitor centres on the COH WHS site is intended to address the:

- 1) **Upgrading and optimal utilization of under-performing tourism facilities:** This will involve leasing and/or concessioning to the private sector of the operation and maintenance of visitor facilities in the COH WHS. It will also entail the development of the leisure component at the visitor facilities, on adjacent sites. This is specifically intended to enhance the utilisation of the visitor facilities and the broader COH WHS environment's inherent development potential for tourism.
- 2) **Conservation:** The on-going conservation of the biological assets, together with the reserve's strategic location and its underlying attractions.
- 3) **Revenue generation:** The project aims to increase the visitor numbers to the visitor facilities and broader COH WHS nature reserve and adjacent sites, and thereby to increase the amount of revenue generated area-wide. Such increased revenue would be reinvested in the conservation and tourism development functions within the province. This will result in a reduced burden on the public sector to fund recurrent costs in the heritage site.
- 4) **Black economic empowerment (BEE):** The aim is to utilise this opportunity for the development of tourism related infrastructure and facilities as a means of supporting BEE. In this regard the use of partnerships between well-established tourism developers/operators and emerging BEE developers/operators or investors should be pursued. Linkages with small businesses in the area and an affirmative procurement policy for the outsourcing of contracts to such small businesses will be promoted.

Comment [m2]: This should not be in here.

Comment [m3]: Should we not say that this will be reinvested in scientific research and community based projects.

7. Proposed Indicative Commercial Activities

The specifications for this undertaking are driven by the objectives of this initiative which include aspects as set out below.

Service providers or consortia with relevant and appropriate skills, experience and empowerment profiles are invited to ~~submit~~ provide ~~EOI proposals~~ EOI submissions to the COH WHS, Management Authority (MA), Gauteng Department of Economic Development (DED) for the development of one or more PPPs for the following elements at the Sterkfontein and Maropeng visitor facilities in the COH WHS:

- (i) The management of all the food and beverage at the Sterkfontein restaurant, Tumulus restaurant at Maropeng, the Maropeng Hotel, the Coffee Kiosk

(outside the main exhibition area at Maropeng) as well as the picnic sites soon to be established at Maropeng;

- (ii) Management of Hominid House, the learner facility at Maropeng;
- (iii) Management of the Amphitheatre at Maropeng ;
- (iv) The development of disabled facilities and children's activities at Maropeng and Sterkfontein.

8. Elements of the Project to be made available:

The following will be made available or is currently in existence at the two sites:

- (i) Functional restaurants at Sterkfontein and Maropeng; an existing Coffee Kiosk facility outside the main exhibition area at Maropeng that is currently non-functional; picnic sites to be built at Maropeng
- (ii) Maropeng Hotel;
- (iii) A functional and currently operating learner facility at Maropeng (Hominid House);
- (iv) A 5000 seat amphitheater facility at Maropeng with the potential to host musical events and other attractions to increase footfall;
- (v) The development of disabled facilities and children's activities at Maropeng and Sterkfontein.

TAKE NOTE:

Responders are invited to submit an EOI on each of the foregoing individually, or on such pairing of the elements as are of interest to the Responder.

In addition to this, the following upgrades are currently completed or underway at Sterkfontein and Maropeng, amongst others:

- (a) The upgrading and additions to the exhibitions at Sterkfontein and Maropeng, including the installation of a 'virtual' laboratory where the public can view scientists at work on original fossils;
- (b) The external upgrades at Maropeng including the development of picnic sites, additional rooms at the hotel, the upgrading of the learner accommodation, amphitheater and the development of a coffee kiosk;
- (c) The installation of a fossil casting facility at the Sterkfontein site employing local community members to undertake fossil casting;
- (d) The promotion of locally produced craft through the 'Hands that Rock the Cradle' project with an outlet situated at the Maropeng marketplace;
- (e) The construction of a bird hide and 2,6km nature walk at Maropeng that winds through the indigenous grassland environment with the opportunity to see rare bird species such as the Cape Vulture and many other species;

(f) The establishment of a network of mountain bike trails that will crisscross the World Heritage Site with the implementation of phase one (15km) in the current year;

(g) The launch of further exciting finds in the COH WHS and the continued rotational display of original fossils at Maropeng.

9. All potential Responders should take note:

The following is expected in return for the outsourcing of these elements or combinations thereof of the visitor facilities:

- a) Payment of a concession fee;
- b) Agreement to a revenue sharing scheme;
- c) Contribution to an overall marketing budget;
- d) Support for the overall objectives of the Cradle of Humankind World Heritage Site in terms of the interpretation for the site as outlined in the WHCA and the *Operational Guidelines for the Implementation of the World heritage Convention*;
- e) Facilities and management of disabled visitors; and
- f) Promotion of all elements related to the COH WHS.

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All of which would be incorporated into a duly negotiated and executed PPP Agreement.

10. Indicative PPP Project Type

10.1 The envisaged initiative will be a type of PPP arrangement attracting private skills and investment.

10.2 A turnkey contract by GPG is not envisaged; rather it is contemplated that individual contracts will be entered into with the private sector, where the operator will pay a concession fee to the GTA, and a percentage of gross revenue that will contribute towards the financial sustainability strategy for the project area.

11. Value for Money Objectives

The value-for-money objectives for the project are aligned with GTA's objectives. Setting these objectives at a project's inception phase is vital as they provide the benchmarks of any feasibility study or procurement phases that may ensue. During the management of the PPP agreement they are used to measure the success of the project.

The value-for-money objectives for the project;

- (i) Revenue generation;
- (ii) BEE, job creation and community development;

- 6.43 Wits is the owner of the Sterkfontein site as well as much of the intellectual property associated with the site and GPG is the owner of the ICC / Maropeng Visitor Centre site as well as the intellectual property associated with the COH WHS. The two facilities are currently managed by GPG and Wits jointly.
- 6.54 The key imperative of the Sterkfontein and Maropeng visitor facilities and museums is to promote South African cultural and national heritage, along with a sense of pride in Africa and South Africa specifically, in terms of the World Heritage Convention Act, especially in terms of the importance that Africa has played in the story of our common ancestry.
- 6.65 Maropeng is the primary exhibition centre for the COH WHS, where some of the most important and prolific discoveries of the evidence of human origins can be found. It is a place of learning and enjoyment, a place of pilgrimage and exploration for diverse audiences to better understand our past and contemplate our uncertain future.
- 6.76 Sterkfontein provides an authentic cave experience and is the primary hominid exhibition centre with a more scientific focus on the story of human evolution. Both these facilities provide a platform for the celebration of the African origins of humankind, our common humanity, the impact of humanity on the environment and its social context.
- 6.87 The objective in concessioning the facilities is to provide access to and interpretation of the world heritage site for South Africa, African and international visitors with a story line that celebrates the African origins of humankind and which has educational, scientific and cultural value and accuracy, and which is entertaining and highly interactive. The development of tourism to the World Heritage site is also a means of leveraging and enhancing economic and social development in an economically challenged area of Gauteng province.
- 6.98 The Interpretation Centre Complex (ICC) or Maropeng Visitor Centre and the revamped Sterkfontein facility were opened to the public in December and October 2005 respectively. The PPP agreement is no longer in existence since the withdrawal of the major shareholder in MAL in July 2010 but the facility is still running with GPG and Wits jointly managing the project.
- 6.109 In addition to the investment in the construction of the ICC facilities, the GPG has invested an amount in excess of R250 million in roads, bulk and other infrastructure.
- 6.110 It is clear that the COH WHS project represents a strategic asset for the province, the nation and indeed the world. The historical and cultural underpinnings of the site make it a key educational tool for the explanation and interpretation of the origins of humankind and our common ancestry which can be traced back to the African continent. This globally unique site provides a platform for further explanation of the human condition due to its profound scientific worth. Therefore the GPG has considerable interest in the retention of its importance and adhering to obligations set forth by UNESCO.

- (iii) Tourism promotion;
- (iv) Optimisation of state land; and
- (v) Biodiversity protection and conservation;:-
- (+)(vi) Overall promotion of the COH WHS.

12. ENVIRONMENTAL COMPLIANCE; BLACK ECONOMIC EMPOWERMENT AND SOCIAL DEVELOPMENT

12.1 It is intended that by GTA entering into a PPP with a private party, GTA will be able to generate additional revenue through concession fees paid to GTA by the private party, while enabling GTA to focus on its core activity of tourism and the management of the COH WHS. It is intended that the project will be developed by the private parties in compliance with strict environmental standards set by GTA.

12.2 In keeping with GTA's objectives, particular attention will be paid to the implementation of Broad-Based Black Economic Empowerment ("BEE"), particularly those from local communities adjacent to the demarcated area. In this regard, GTA will be required that interested Parties confirm their willingness to promote BEE by entering into an agreement with the local community in terms of community social development as well as employment of suitably qualified local community members.

13. BRIEFING SESSION AND SITE VISIT

13.1 A non-compulsory tour of the Maropeng and Sterkfontein facilities will be undertaken on _____. Potential Responders shall gather at the entrance to Maropeng by 09h45 on that day. Copies of the last three Annual Reports of the Cradle of Humankind will be available to attendees.

13.2 A briefing session will be held at:

Address:

Date:

Time:

13.3 To attend, interested parties should register by: (insert date)

Contact person: Mr Mags Pillay

E-mail: mags@gauteng.net

Tel: 011 085 2482

Cell: 083 647 5088

14. SUBMISSION REQUIREMENTS AND DATES

14.1

Responder/s should submit their EOI to:

Address:

Or

Email:

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14.2 Enquiries can be sent to:

Name:

E-mail:

15. Required Format and Information for a Response to the EOI

PART A:

15.1 Entitling the form: **Expression of Interest:**

“Market Testing for the Development of one or more PPPs in terms of certain elements of the offerings at Sterkfontein and Maropeng”

15.2 Name of person submitting the Response to the EOI; Identifying the firm or proposed lead consortium member filing the Response.

15.3 Company name, and if a corporation, its corporate registration number; if a potential consortium, the corporate registration number of the proposed lead firm plus the corporate identification numbers of each proposed member of such potential consortium;

15.4 Title of person submitting the Response to the EOI and indication of that person’s position in the company, if applicable.

15.5 Contact details of the person or firm submitting the Response to the EOI:

- Postal address
- Telephone
- Fax
- Cell phone
- Email

15.6 Identification of the element or elements, as listed in Clauses 8 and 9, above as to which the Response is being submitted;

PART B:

- 15.7 ~~The~~ Company's profile and experience in the tourism industry including a statement as to the experience and expertise of the Responder in terms of each element or combination of elements as to which a Response is being submitted;
- 15.8 Names and locations of current operations;
- 15.9 Market segment(s);
- 15.10 Number of years in operation;
- 15.11 Number of visitors per year for last three years (if possible);
- 15.12 Annual turnover per year for last three years (if possible);
- 15.13 Black economic empowerment profile measured by the Tourism BEE scorecard (available on www.dea.gov.za). If a corporation, an original copy of its B-BBEE Certificate issued by an accredited empowerment rating entity; if a potential consortium, an original copy of the B-BBEE Certificate issued by an accredited empowerment rating entity of the potential lead member of such consortium plus the B-BBEE certificates for each potential member of the consortium;
- 15.14 Memberships/affiliations;
- 15.15 If a corporation, an original copy of its Tax Clearance Certificate; if a potential consortium, an original copy of the Tax Clearance Certificate for the potential lead member thereof plus the Tax Clearance Certificates for each potential member of such consortium;
- 15.16 If a corporation, certified copies of the annual report filed for such corporation for the last three years; if a potential consortium, certified copies of the annual report filed for the potential lead member of such consortium for the last three years plus the annual reports filed for each potential member of the consortium for the last three years; and
- 15.17 A signed copy of the below-listed declaration signed by a duly-authorized member of a Responder that is a firm, or, if a potential consortium, signed by a duly-authorized person representing the potential lead firm and further signed by duly-authorized representatives of the other potential members of the consortium:

"I, _____, on behalf of _____ do hereby affirm that I understand that operation of one or more elements of the COH WHS facilities located at Maropeng and Sterkfontein as a PPP means that the criteria for adjudicating any subsequent tender conducted by WITS and the Province of Gauteng will be in terms of National Treasury Regulation 16 and the *PPP Manual* (2004) issued by National Treasury."

Signed this _____ day of _____, 2013, at _____ South
Africa

(Signature)

PART C:

- 15.18 Interest in a PPP opportunity at COH WHS site.
- 15.18.1 Fully describe the type, scale and market segment of tourism operation you would be interested in.
 - 15.18.2 Are you interested as an investor or as an operator or both?
 - 15.18.3 What (ballpark) level of capital investment would you be prepared to consider?
 - 15.18.4 What (ballpark) period of PPP agreement would you deem viable?
- 15.19 What specific conditions would encourage you to bid?
- 15.20: What specific conditions would discourage you from bidding?

Tony Rubin

From: Anton Post
Sent: 17 August 2007 12:01 PM
To: tonyr@maropeng.co.za
Cc: Rudolf Kleingeld; Lindsay
Subject: Schedule 9 Audit Report
Importance: High

Hi Tony, Rudolf & Lindsay

In terms of Schedule 9 of the Concession Contract, we also have to report on Skills Development – see clause 5 of Schedule 9. I will also go through Schedule 9 with Tony.

The challenge is that we had to spend R 1 060 000 – yes R1,060 million – on training until 30 April 06. I have at various occasions stated that it is almost impossible to spend that kind of amount on training – and it was also minute at the meeting on 1 Nov 05 - but the MA did not want to concede to a lower amount. They did, however, agree to allow us to take the salaries into account of the staff we employed before the opening of Maropeng on 9 December 05.

I have on the attached spreadsheet indicated in yellow, the employees whose salaries should be accounted for on a monthly basis in order to determine the amount which was spent from the date of employment of each individual till end November 05.

For example, if employee A started on 1 March 05, and the cost to company was R 2000 per month, then his total cost for the months March 05 to end November 05, will be R2000 multiplied by 10 months = R 20000. So the total cost to co for every identified individual has to be added up in order to determine the total employment cost till end November.

In addition any formal training cost, which was done till end April 06, must be added in order to determine the total spent on skills development till end April 06. This was however not substantial and mainly First Aid and Fire Fighting. Most of the F & B training was on the job training.

NB, please have a look on both sheets of the attached document namely "active" and "terminations" – line 568 and again 767 on the "terminations" sheet - to include everyone.

Although Schedule 9 has not finally been approved and signed, I suggest you start compiling the report and data in order to have enough time to do all the reports. This will then be audited by PWC.

If you have any questions, please do not hesitate to contact me.

Kind regards

Anton Post

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Prepared by

SRK Consulting - Certified Electronic Signature



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Candice Maduray

Engineering Geologist

Reviewed by

SRK Consulting - Certified Electronic Signature



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William Joughin

Partner and Principle Mining Engineer

3 Risk Assessment

A risk assessment has been completed, taking into consideration the hazards mentioned above. The risk assessment accounts for the severity of the impact, the likelihood of it occurring, current control measures and their effectiveness. A residual risk rating has calculated and possible mitigation measures have been suggested, as discussed above, taking cognizance of the Outstanding Universal Value of the site.

The severity and likelihood rating reference tables are in Tables 3.1 and 3.2. The sum of these factors was used to calculate the risk for each hazard relative to each other. Based on the result and taking cognizance of the effectiveness of existing control measures, further actions have been defined.

The reference number in the risk assessments refer to numbers annotated in Figure 2-1: Detailed plan of Sterkfontein and specific hazards at each of these localities are discussed. A refers to falling into the excavation, which is a general hazard across the site.

The severity and likelihood rating reference tables are shown in Tables 3.1 and 3.2. The sum of these factors was used to calculate the risk for each hazard relative to each other. Based on the result and taking cognizance of the effectiveness of existing control measures, further mitigation actions have been defined.

Table 3-1: Severity Ratings

Impact	Severity Factor
Multiple fatalities, or significant irreversible effects to >50 persons.	100
Single fatality and/or severe irreversible disability (>30%) to one or more persons.	30
Moderate irreversible disability or impairment (<30%) to one or more persons.	10
Objective but reversible disability requiring hospitalisation.	3
No medical treatment required.	1

Table 3-2: Hazard Severity Rating

Frequency of occurrence	Likelihood Factor
Could be incurred once or more during the next day	10
Could be incurred once or more during the next week	3
Could be incurred within the next month	1
Could be incurred within a one year time frame	0.3
Could be incurred within the life of the project	0.1
For a system failure: The incident hasn't happened in the last 50 years. For a natural hazard (earthquake, flood, windstorm, etc): The predicted return period is 100 years or longer	0.03

2.2 Falling into excavation

Highwalls, the walkway and other highpoints as seen in Figure 2.5 are hazardous in that one can easily fall into the excavation from these points. A large gap exists between the base of the walkway and the handrail which has been identified as a potential hazard if not aware of the gap. This could result in serious injury and potentially a fatality. While this is a fairly obvious hazard, injuries are likely to occur due to complacency and lack of focus, particularly while people are busy executing tasks. It is therefore necessary to regularly remind scientists and workers of this hazard. SRK suggests that daily safety talks be carried out to raise awareness and reiterate the hazard. Signage could also be used highlighting the hazard.

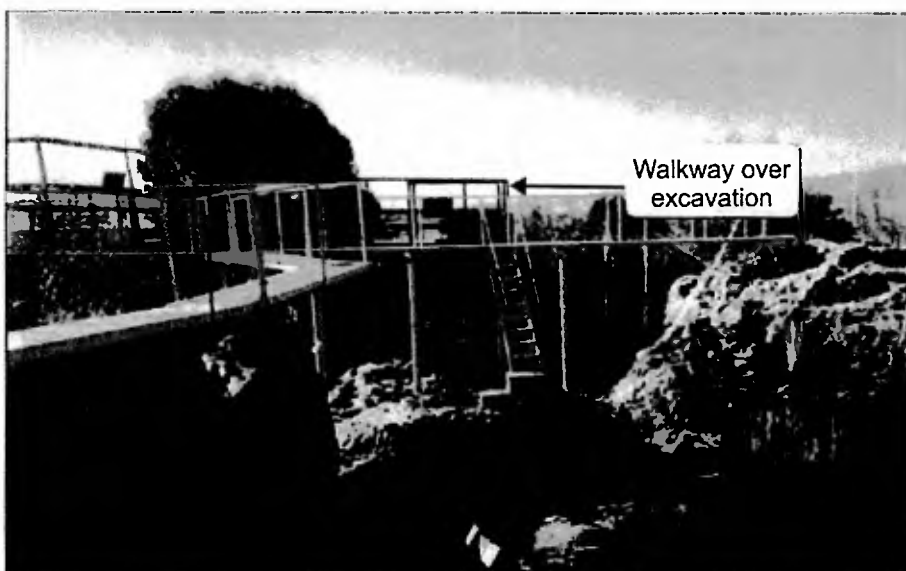


Figure 2-5: East view of excavation showing high points where falling is a hazard

2.3 Breakthrough to cavern below

Research is on-going at the base of the surface excavation between areas annotated as 2 and 4 in Figure 2-1, downwards toward the cave below. If contact is made with the cave during excavation, there is a possibility of collapse of large volumes of material or scientists and staff could fall into the cavity. In both cases serious injury can be incurred.

It is important that staff and scientists understand the geological conditions that exist around and below them. Some geological drilling has been carried out previously at the site and the stratigraphy has been established and published. The interburden of approximately 12m between the cave and top of the excavation has been measured using a hose pipe.

During excavation in the past contact with the Sterkfontien cave has been made at area 5 on the site plan. According to Prof Clark the cavity has subsequently been covered up by large boulders and where intersection with the cave is expected, harnesses were worn.

SRK suggests that further investigation on the interburden thickness be carried out to gain a better understanding if further excavation is to be carried out at the base of the excavation.



Figure 2-3: Decalcified breccia highwall (2)

Decalcified breccia walls are present throughout the excavation and are particular concern in areas annotated as 1 and 2 in the site plan. The control measures currently in place to prevent against impacts are listed as follows:

- No excavation is currently taking place under highwalls and staff are aware of the hazard
- Staff excavate from top to bottom which prevents overhanging material from becoming a hazard
- All excavation is carried out or supervised by experienced scientist or foreman

The following additional control measures recommended:

- Barricade area off while it is not necessary to work here (sign and cable)
- Terrace highwall with 1.5m high slopes and benches (45° slope angle) when excavating
- Harnesses to be worn when excavating from the top, while remediating the highwall to a terraced highwall
- Hard hat to be worn when excavating below breccia
- Safety talks to ensure awareness of the hazard
- Availability of the site safety report

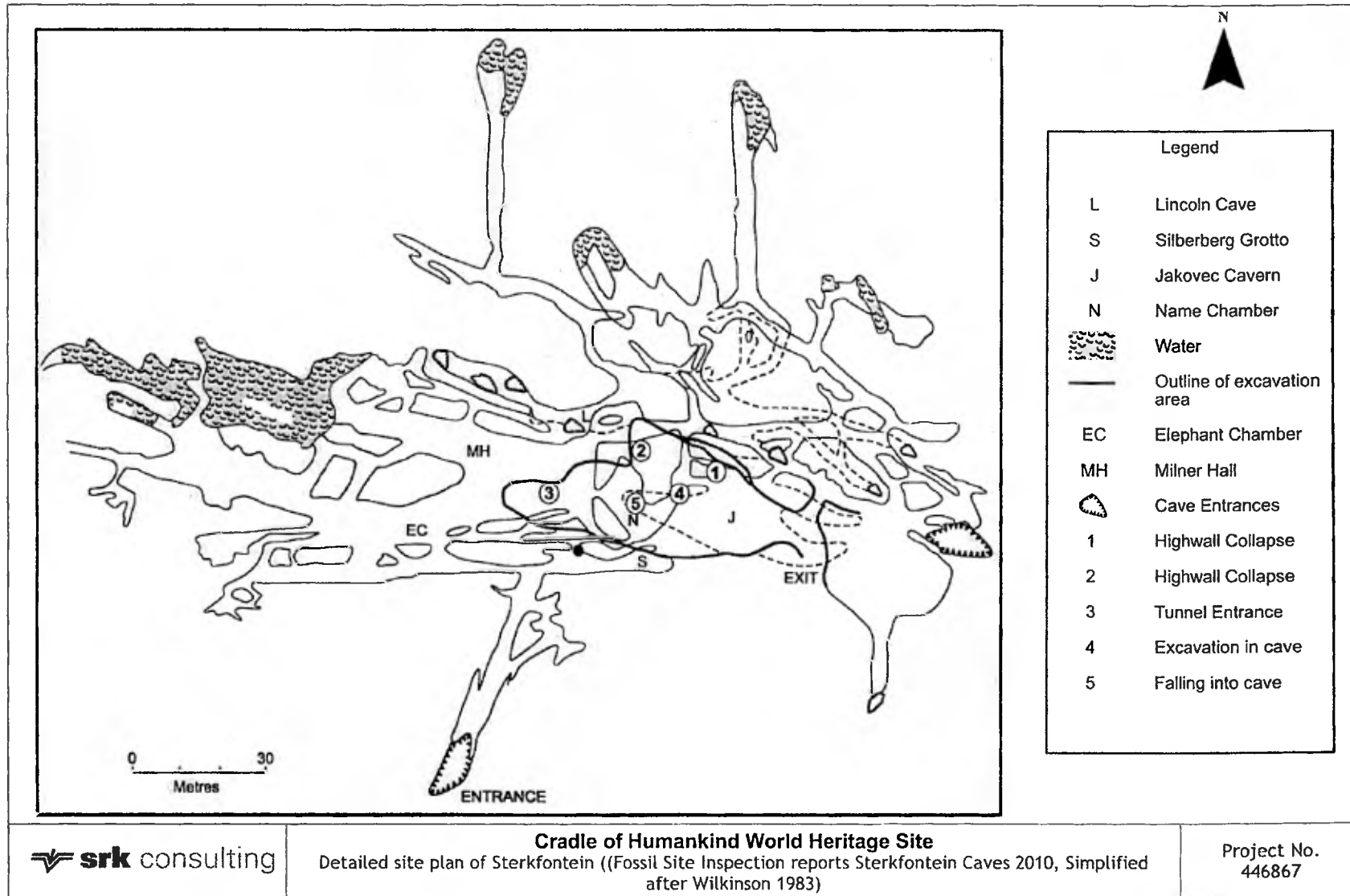


Figure 2-1: Detailed plan of Sterkfontein

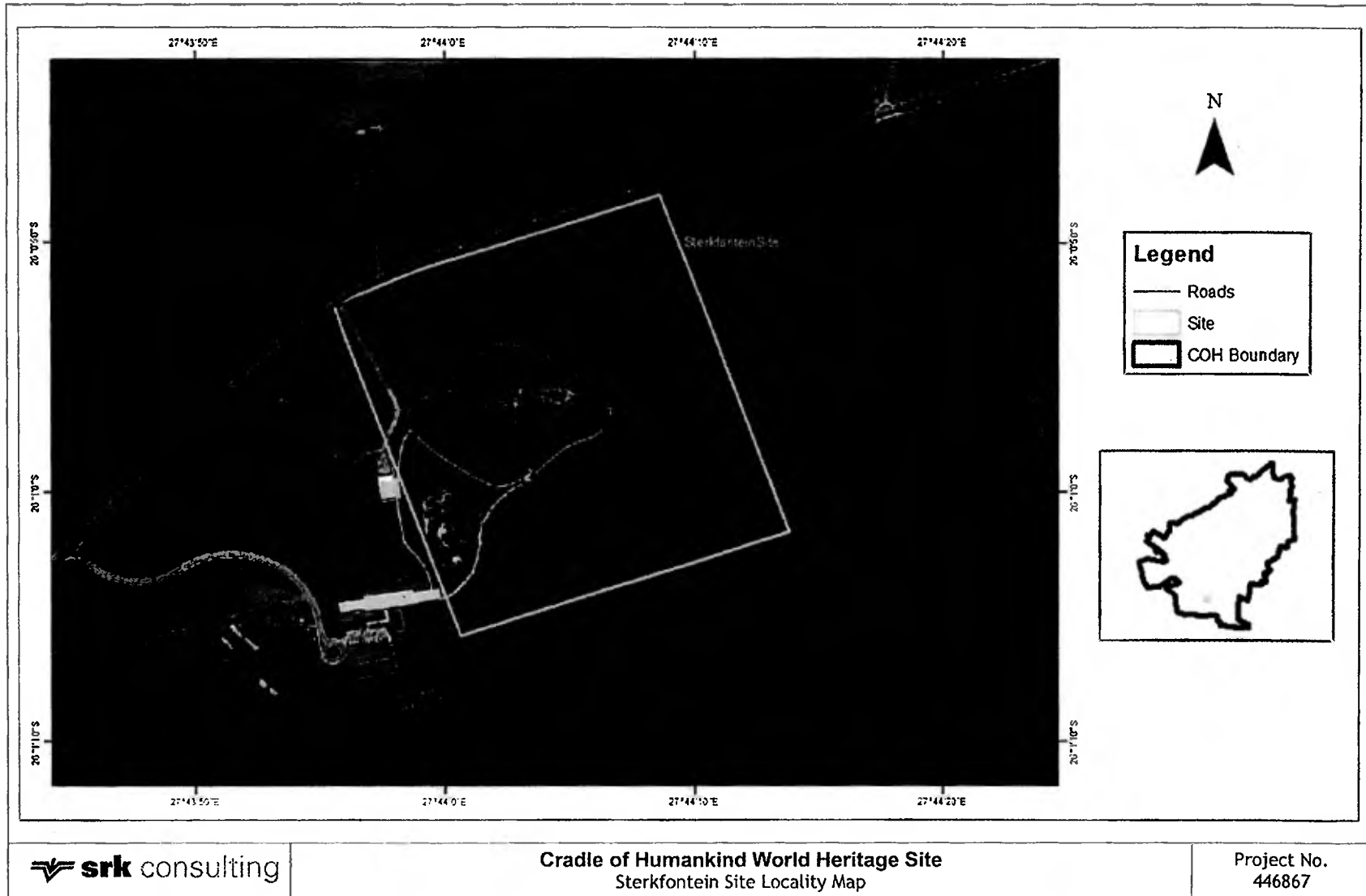


Figure 1-1 Locality plan of Sterkfontein

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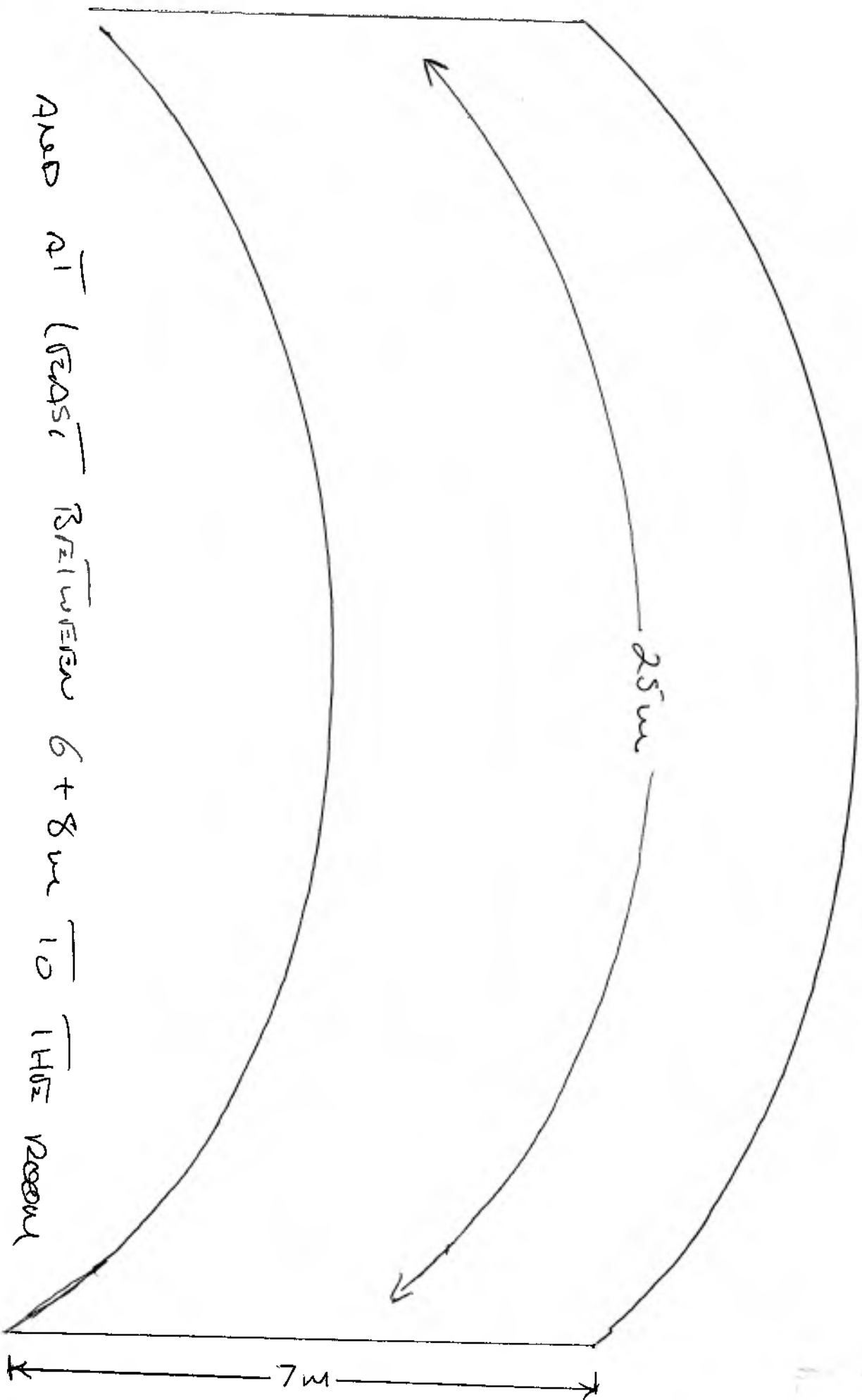
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STERKFORTEIN NATIONAL HERITAGE SITE INSPECTION JULY 2013: POST- INSPECTION MANAGEMENT MEETING

Meeting no. 1

16 October 2013

09:00 - 11:00

MAROPENG BOARD ROOM, MAROPENG, COH WHS

A G E N D A

1. WELCOME
2. ADOPTION OF AGENDA
3. INTRODUCTION TO MEETING: JULY 2013 INSPECTION REPORT
4. TOUR GUIDE TRAINING & MANAGEMENT
 - 4.1. Maropeng Guide Training Programme
 - 4.2. Registration of guides with CATHSSETA
 - 4.3. Tourist management inside Sterkfontein Caves
 - 4.4. Storyline: inclusion of mine kilns, mining history
 - 4.5. Casts provided to Guides
5. GRAFITTI
6. LIGHTING
7. FLOORING AND ROUTE PAST LAKE
8. MISSING BRICKWORK
9. SELLING OF "ORIGINAL FOSSILS" IN STERKFORTEIN SHOP
10. SITE SAFETY FINDINGS: HARD HATS, SIGNAGE, NO GO AREAS
11. WAY FORWARD & NEXT MEETING

Fossil Site Monitoring Report: Sterkfontein National Heritage Site: July 2013

Introduction

The Cradle of Humankind World Heritage Site (COH WHS), situated primarily within Gauteng province and extending into the North West province, is a declared World Heritage Site home to 12 palaeontological (and archaeological) sites proclaimed as National Heritage Sites in terms of the National Heritage Resources Act, 1999, as well as a number of palaeontological (and archaeological) sites of high scientific and heritage importance, covered by the provisions of section 35 of the National Heritage Resources Act, 1999.

As required by the National Heritage Resources Act, 1999, the National Heritage Sites and palaeontological sites require regular monitoring and inspection. The Management Authority (MA) for the Cradle of Humankind World Heritage Site as declared in terms of the World Heritage Convention Act, 1999, shares a joint responsibility with the South African Heritage Resources Agency (SAHRA) to manage, monitor, inspect, protect and conserve the National Heritage Sites and palaeontological sites situated within the declared boundaries of the COH WHS.

To this end, the MA and SAHRA conduct biannual inspections as part of the joint annual fossil site monitoring programme. This particular report for the Sterkfontein National Heritage Site forms part of the inspection report compiled for the first round of inspections of permitted palaeontological and permitted National Heritage Sites for the 2013/14 financial year, conducted by the MA and SAHRA between 8 and 12 July 2013.

Overview of Inspection and Reporting Methodology

Since 2011, the COH WHS MA has been in the process of reviewing and amending its monitoring, inspection and reporting methodology for the fossil sites within the COH WHS. To this end, the COH WHS MA has selected the IUCN's Management Effectiveness Tracking Tool (METT)¹ and has adapted the standard METT questionnaire and score sheet for fossil site management in the COH WHS.

The METT is one of two of the most widely used and adapted tools designed and developed to firstly, assess the effectiveness of management activities in protected areas, and secondly, to measure, track and monitor progress towards identified management activities. One of the primary benefits of METT is that it is a useful method of developing a baseline of management effectiveness, especially for tracking and monitoring progress over time, as well as its ability to rapidly identify areas / issues requiring management intervention.

As mentioned above, METT utilizes a questionnaire and scorecard approach. The scorecard covers 6 standard areas of management – context, planning, inputs, processes and outcomes. A series of standard questions / indicators are then assessed under each element. The questions and / or their focus can be adapted to suit a particular site / context, as has been the

¹ Adapted to include natural and cultural components during the assessment process

case for the COH WHS. This adaptability of METT again reinforces its usefulness as a tracking tool; however, it does limit its comparative analysis effectiveness.

The standardized METT makes provision for the questionnaire to be rated using a four point scale – from 0 to 3. Provision is also made in the standard questionnaire for “supplementary items” rated with a score of 1 – these supplementary items are designed to clarify issues, or allow for the elaboration of key issues within the questionnaire, e.g, allowing for the scorers to undertake a more indepth assessment into the context of the site being analysed. Once the questionnaire has been completed, the scores for each of the management elements are totaled, and a percentage of the possible overall score is obtained. The METT makes provision for the colour coding of the rating, allowing for the easy and rapid comparison of previous assessments, as well as for reporting purposes.

Table 1: METT Indicator Score Range and Meaning

Possible Range of Scores For Indicators / Questions	Meaning of Score Rating Determined by METT
0	Activities not sufficient to reflect change
1	Activities not adequate to sustain change
2	Activities reflect change
3	Activities sufficient

Table 2: METT Rating Range and Meaning

Percentage Achieved Against Possible Overall Score	Rating Determined By METT	Meaning of Rating Determined By METT
0 - 39	Poor	The indicators show that targets will not be achieved under existing management inputs
40 - 59	Fair	The indicators require additional management inputs for targets to be met.
60 - 79	Good	The indicators require minor inputs but are functioning well
80 - 100	Very Good	The indicators are operating well and no additional interventions are required

Table 3: Overview and Status of Sterkfontein National Heritage Site as Inspected in July 2013

Fossil sites	Average score	Status (since 2012)	Commentary based on inspection
Sterkfontein		Increased	<p>A distinction must be made between the scientific activities at Sterkfontein and the interpretative and tourism activities at the site. The score for Sterkfontein improved particularly because of the strong scores relating to scientific research and heritage site management, evident in the improvements relating to the curation and storage at the brick lab, and the researcher's commitment to undertaking excavation activities aimed at improving the site stability of the top excavations. The research proposal submitted by the permit holders shows that a variety of scientific activities will be carried out at Sterkfontein for the coming years.</p> <p>From a tourism perspective, the Sterkfontein Caves continue to be a tourist draw card. However, there are concerns regarding tourist management and interpretation. There are concerns regarding the tour guides – most notably, the training of the tour guides, particularly new guides, requires addressing, with a particular focus on the storyline that is being given to the public. An inclusion of the lime kilns and history of the lime mining would be beneficial. The evidence of increased graffiti inside the caves (including in the off limit areas in the Milner cavern) means that better tour group management is required. A decision must be reached between the tourism operator, the MA and SAHRA regarding the usage of rubber mats to denote the tourist path versus the international standard of concrete walkways with barriers seen in other show caves. It is suggested that the temporary path past the lake should be finalized and a proper barrier installed. It is also suggested that the lighting be changed to reduce the impact on the speleothems. The cavern off the Milner Cavern must be treated as a no go area.</p>

1 Introduction and Site Description

1.1 Site Locality and Description

SRK Consulting (SRK) undertook a visit to the Sterkfontein caves on 26 June 2012 as part of site safety inspections of the Cradle of Humankind World Heritage Site (CoH WHS). Currently Maropeng A' Afrika (Pty) Ltd is responsible for the management of the Sterkfontein caves. The visit comprised a thorough inspection of the cave in order to identify existing hazards that may affect visitors to the site. The team conducting the inspection included:

- William Joughin (SRK)
- Candice Maduray (SRK)
- Neo Matshediso (SRK)
- Denisha Govender (SRK)
- Mika Kubaye (SRK)
- Oveshlan Pillay (SRK)
- James Dutchman (SRK)
- George Brink (SRK)
- Lindsey Smith (CoH WHS Management Authority)
- Patricia (Tour Guide - Maropeng A' Afrika)

Discussions were also had with Jaques of Maropeng A' Afrika who is responsible for the maintenance at the Sterkfontein caves.

The Sterkfontein caves lies at the southern boundary of the Cradle of Humankind World Heritage Site as shown in Figure 1-1. The site comprises an extensive underground cave system lying beneath dolomitic hills. There is a large surface excavation in the fossiliferous breccia of the Sterkfontein 'Type Site', above the cave, which is represented by an elongate deposit toward the top of the Sterkfontein hill. The site is recognised for its hominin bearing breccia which was first discovered during limestone mining in the late 19th century.

The subterranean site is an important component of the Outstanding Universal Value of the Cradle of Humankind World Heritage Site, and is well-known for its very impressive, extensive dolomitic features and is open to the public for tours.

Currently there are no risk management plans in place with visitor safety being the responsibility of the tour operators, being Maropeng A' Afrika, although Maropeng A' Afrika do have a Safety Policy in place, which Policy was not available for review for this report. This report aims to highlight potential hazards as observed during the inspection providing a risk rating, and to propose potential control measures that will ensure safe working conditions and decrease the possibility of harm occurring.

1.2 Information Received

The following references were consulted in preparing the site inspection report:

- Updated Fossil Site Management plans for Sterkfontein Caves 2009 – 2013
- Fossil Site Inspection reports for Sterkfontein Caves 2009
- Fossil Site Inspection reports Sterkfontein Caves 2010
- SAHRA's Guidelines to Archaeological Permitting Policy
- SAHRA's Guidelines to Paleontological Permitting Policy

2 Hazard Identification and Description

Each site was systematically analysed, identifying each hazard and their potential impacts. A comprehensive risk assessment was carried out on the identified hazards. The results of the risk assessment are detailed as follows. Figure 2-1 provides a plan of the network of underground caves at Sterkfontein. Areas of interest as discussed as follows are shown on the plan as numbers.

The following hazards were identified and are described:

- Rockfalls through averts and cavities
- Low Roof
- Overhanging Chert
- Cables
- Old pathways
- Water seepage and wall instability
- Rockfalls from excavation above the cavern

2.1 Rockfalls through Averns and Cavities

Cavities occurring at the surface have been identified at various locations within the cave. These cavities, referred to as averns, create an opening into the cave into which loose rocks could potentially fall. Based on the number of loose rocks on the cave floor, and discussions with tour guides, the likelihood of this occurring is very low. Most of the averns are also protected by a surrounding fence, which will prevent any large rocks from falling through. The caves, however, are open to the public and tours are regularly conducted, therefore exposure to hazards is high and the possible consequences severe.

Currently control measures in place include:

- Daily inspections of caves before tours begin
- Entry gates are locked when tours are not in operation. .
- Area around averns are fenced off at surface
- Natural vegetation acts erosion prevention measure

Averns were observed in areas 1 and 3. Cavities occurring at the entrance of the cave as shown in Figure 2-2 and Figure 2-3 are not fenced off. Particularly after heavy rains, the risk of loose rocks falling into the cavity is increased. SRK suggests that daily inspections around accessible averns and openings should be carried out, and those that are fenced off should be inspected after rains by tour guides in order to ensure that there are no loose rocks lying at the opening.

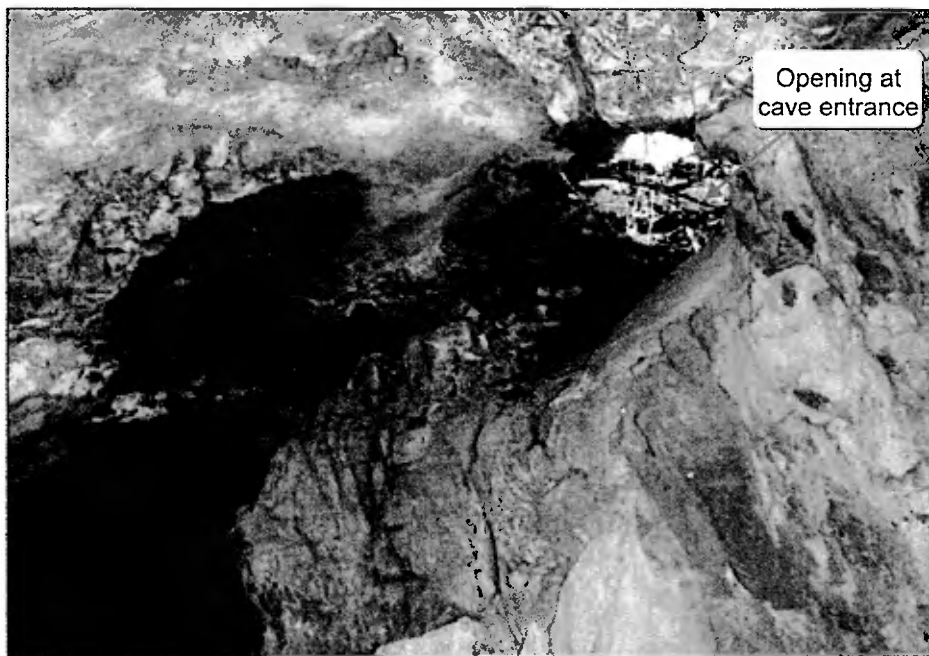


Figure 2-2: Opening at entrance to the cave (1)

2.2 Low Roof

Low roofs are noted at the entrance and the on exit of the caves as shown as numbers 1 and 7 respectively on detailed cave plan. The walls and roof comprise a very hard rock dolomite, and if one is to bump their head it may result in a mild to serious injury. Current control measures include the:

- First aid kit on site as aid in the case of injury
- Guides are educated on the risk issue
- Safety talks are given to visitors

Although a first aid kit is essential for the mitigation of an injury, preventative measures are necessary.

SRK suggests the use of hard hats be considered to decrease the severity and likelihood of head injuries occurring:

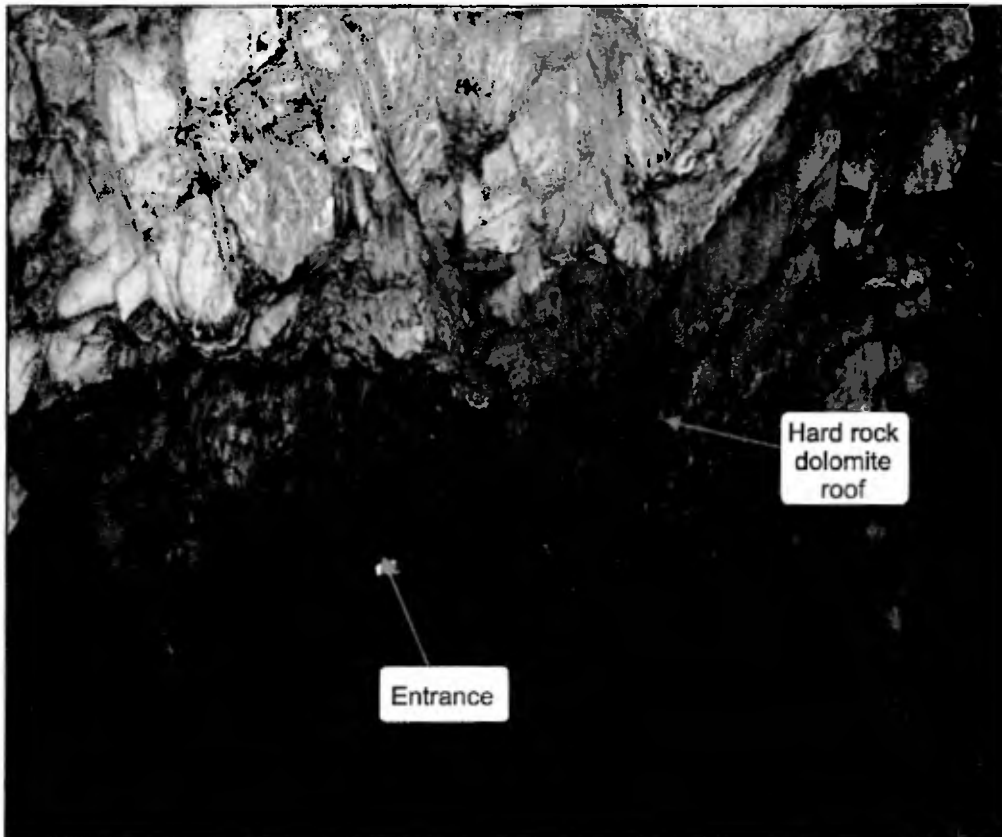


Figure 2-5: Visitor Entrance to Sterkfontein Cave

2.3 Tripping, slipping and falling

The presence of openings and averts allows for water to enter caves, which in turn results in floors becoming slippery. Statistically tripping and falling is the most frequently occurring accident during tours and minor injuries can occur. The tripping hazard is applicable throughout the cave, but particularly so at the staircase on entrance and the walkway into the cave as annotated as numbers 1 and 2 in the site plan.

Current control measures include:

- Warning signs
- Use of rubber mats

SCHEDULE 9

EMPOWERMENT

1. DEFINITIONS

1.1 Terms used in this Schedule which are defined in the Concession Contract to which it is attached shall have those same defined meanings when used in this Schedule.

1.2 In addition, in this Schedule the following words shall bear the meanings assigned to them here –

“Annual Empowerment Report” means each report that the Concessionaire is obliged to furnish in accordance with the provisions of clause 5.2.1;

“Black Enterprise” means an enterprise that is at least 50.1% beneficially owned by Black People and ~~in which~~where Black People have substantial management control (that is, ~~the ability to direct or cause the direction of the business and management policies or practices of that enterprise).~~ Such beneficial ownership may be held directly or through other Black Enterprises. Ownership refers to economic interest while management refers to the membership of any board or similar governing body of the enterprise;

“Black People” means persons who have signed Annexure A, who are African, Coloured ~~and~~ ^{Or,} Indian South African persons who are natural persons and;

- are citizens of the Republic of South Africa by birth or descent; or
- are citizens of the Republic of South Africa by naturalisation before the commencement of the Constitution of the Republic of South Africa, 1993; or
- became citizens of the Republic of South Africa after the commencement date of the Constitution of the Republic of South Africa, 1993, but who, but for the apartheid policy that had been in place prior to that date, would have been entitled to acquire citizenship by naturalisation prior to that date;

“Capital Expenditure”

means any expenditure treated as capital expenditure under Generally Accepted Accounting Principles the expenditure incurred by the Concessionaire on the Construction Works and Exhibition Installation as defined in the Concession Contract. This expenditure is equal to the investment by Blue IO in terms of Convertible Shares;

“Construction Period”

means the period from the Effective Date to {30 November 2005} 12 June 2006;

“Economic Interest”

means a participant’s claim against the

enterprise representing a return on ownership of the enterprise, measured in accordance with the “Flow-Through” and “Modified Flow-Through” principles. In this regard, a participant’s entitlement to receive any payment or part payment on the participant’s claim from a Measured Enterprise that is not a return in that Measured Enterprise will be treated as Economic Interest if such payment is:

- not arms-length
- not market-related
- mala fide or
- without a commercial rationale or intended to circumvent the provisions of this statement or the objectives of the Broad-based Black Economic Empowerment Act (section 9(1): Codes of Good Practice clause 1.19 of code 100);

[DRAFTING NOTE: this reference to “this statement” and the BBBEE Act and Codes to be checked and clarified]

“Key Personnel”

means personnel employed in Paterson employment bands D, E and F;

Comment [P1]: Exact working” means a claim against an entity representing a return on ownership of the entity similar to a dividend right, using the flow through and where applicable, the modified flow through principles.

Comment [P2]: All the detail from this point is not relevant to the reference quoted at the bottom as it’s based on the Codes of Good Practice BEFORE they were gazetted. The gazetted Codes do not have all this detail.

Comment [A3]: Whose responsibility?

“Local Community”

means Black People who are ordinarily resident in the COH WHS, or anywhere within a radius of [---], at the time of first employment; reside within 25 kilometres of any boundary radius of the COH WHSICC; ?

Comment [P4]: Change to 'initial recruitment'

“Operating Expenditure”

means any expenditure treated as operating expenditure under Generally Accepted Accounting Principles arising from contractual arrangements with subcontractors for the provision of facility management services detailed in Annexure B;

“Operations Period”

means the period from [1 December 2005] to the end of the Concession Period; and

Comment [A5]: this should be 13 June 2006 – refer to “construction period” The Construction period and Operations period cannot overlap.]

“Subcontractors”

means the counterparties to any contract with the Concessionaire (whether for the supply of goods or services or both), or counterparties in turn to any contracts for the supply of goods or services or both to any of those first tier counterparties or any of those counterparties at a lower tier.

2. BLACK EQUITY

The Concessionaire shall ensure that for the period from the -

- 2.1 Effective Date to the day preceding the second anniversary of the Effective Date, no less than 40% of the voting Equity in the Concessionaire from time to time shall behave been directly and beneficially owned by Black People and/or Black Enterprises and such Equity shall rank *pari passu* with the voting equity



held by shareholders in the Concessionaire who are not Black People or Black Enterprises;

- 2.2 second anniversary of the Effective Date to the end of the Concession Period, no less than 53% of the voting Equity in the Concessionaire from time to time shall be directly and beneficially owned by Black People and/or Black Enterprises and such Equity shall rank *pari passu* with the voting equity held by shareholders in the Concessionaire who are not Black People or Black Enterprises.

3. SUBCONTRACTING EXPENDITURE

3.1 Construction Period

The Concessionaire shall ensure that in each completed year of the Construction Period (commencing with the Effective Date), or in any incomplete portion of a year in the Construction Period, no less than 40% of the total Capital Expenditure actually incurred by the Concessionaire shall be paid to Black People and/or Black Enterprises for goods and/or services provided by them.

3.2 Operations Period

The Concessionaire shall ensure that in each completed year of the Operations Period (commencing with the date on which the Operations Period commences), or in any incomplete portion of a year in the Operations Period, no less than 25% of the total Operating Expenditure actually incurred by the Concessionaire shall be paid to Black People and/or Black Enterprises for goods and/or services provided by them.

4. EMPLOYMENT EQUITY

- 4.1 The Concessionaire shall ensure that for the period from the -

- 4.1.1 commencement of the Operations Period to the day before the second anniversary of that commencement date, no less than 25% of the Key Personnel Positions in the Concessionaire shall behave been filled by Black People;

4.1.2 second anniversary of the commencement of the Operations Period to the day before the fifth anniversary of the commencement of the Operations Period, no less than 35% of the Key Personnel Positions in the Concessionaire shall be filled by Black People;

4.1.3 fifth anniversary of the commencement of the Operations Period to the end of the Concession Period, no less than 55% of the Key Personnel Positions in the Concessionaire shall be filled by Black People.

~~[NOTE: The Key Personnel Positions are specified in Schedule 11. That Schedule must be checked and, if necessary, revised. To provide flexibility and avoid the need to repeatedly revise Schedule 11, we propose that the target in the sub-clause rather be linked to percentages in various employment grading bands. Maropeng is requested to advise on whether they are using a grading system, and if so to suggest what the senior grades that would be included within this target would be.]~~

4.2 The Concessionaire shall comply with the Employment Equity Act, 1998. In doing so, it shall prepare and implement employment equity plans in accordance with that Act. The Concessionaire shall furnish the Concessor with –

4.2.1 each successive employment equity plan submitted by the Concessionaire in accordance with that Act within [30 days] following the date of submission of that plan; and

4.2.2 a copy of each report submitted by the Concessionaire to the Department of Labour (or its successor) pursuant to section 21 of that Act within [30 days] following the date of submission of that report.

4.3 The Concessionaire shall submit a report to the Concessor on efforts made to recruit locally and the percentage employment from the Local Community for each twelve-month period, by not less than [60 days] before the start of each Financial Year.

Comment [A6]: we actually agreed that it would be only for the first 12 month period

[DRAFTING NOTE: Clarify what twelve-month periods are envisaged here. If the report has to be in 60 days before each Financial Year begins, is it the twelve months ending, say, ninety days before that Financial Year begins?]

5. SKILLS DEVELOPMENT

5.1 The Concessionaire shall develop and implement an annual skills transfer and training programme for Black People, in accordance with the following –

5.1.1 the first skills transfer and training programme ~~shall cover~~ covers the Construction Period and [the Concessor acknowledges that that programme has been submitted to and approved by it];

5.1.2 the programme for the ~~12 months commencing with the commencement of the Operations Period~~ period from 17 March 2005 to 30 April 2006 for the Orientation Centre, and the period from 9 December 2005 to 30 April 2006 for the Interpretation Centre, and the programme for the 12 months commencing on 1 May 2006, and for the 12 months commencing on 1 May 2007, shall be submitted by the Concessionaire to the Concessor by no later than [20062007]. Each programme for each subsequent 12 month period ~~commencing on an anniversary of the date of commencement of the Operations Period~~(which coincides with each Financial Year) shall then be submitted to the Concessor not less than [60 days] before the start of that 12 month period the applicable Financial Year;

5.1.3 each programme so developed must be approved by the Concessor, whose approval shall not be unreasonably withheld;

5.1.4 unless the Concessor approves otherwise, the training elements of each programme must be formally registered as a learnership programme or its equivalent, under applicable legislation in force from time to time, or must otherwise be formally externally accredited by a third party approved by the Concessor for that purpose (which approvals shall not be unreasonably withheld). Only training elements in each programme

Comment [A7]: 31 July 2007

Comment [A8]: Skills development programme for ensuing year and report of previous year have to be submitted to THETA before end June annually. It is therefore proposed that the Plans and Reports be submitted to coincide with the THETA dates.

Comment [P9]: Based on the timelines provided in clause 5.1.2 the plan must be submitted by end Feb for implementation starting May BUT skills year starts April therefore approval must be given within 2 weeks after submission so that skills plan implementation can start in line with skills year. Therefore, comment A8 should be implemented.

Comment [A10]: Currently there are only 7 (originally 10) employees on a learnership programme as approved by Theta since only 10 were approved. It is therefore not possible to have all employees on a learnership programme.

that are so formally registered or externally accredited shall be eligible to be counted towards fulfilment of the skills development targets in this clause;

5.1.5 each programme shall stipulate –

- (a) the **training that will be delivered** under it, and **details of who will provide each aspect of that training;**
- (b) the intended **categories of persons** who will receive that training, and the **intended number of trainees in each category,** ~~distinguishing between trainees intended to come from the Local Community and those intended to come from outside it;~~
- (c) those elements of the programme which will be accredited by any applicable Sector Education and Training Authority under the Skills Development Act, and those which will not be so accredited;
- (d) details of the elements of the programme which will be formally registered or otherwise formally externally accredited in accordance with clause 5.1.4, including details of the body or entity with whom any applicable element will be so registered, or by whom any applicable element will be so accredited;
- (e) whether or not the training programme has been registered with the South African Qualifications Authority, and if so, at what National Qualifications Framework level the resulting qualification for that part will be; and
- (f) the estimated costs for each element of the programme, and a timetable relating to it.

5.2 The Concessionaire shall apply an amount of not less **than R1 060 000** for the skills transfer and training programme ~~in the first year of,~~ inclusive of full-time training in preparation for the Operations Period, in the period ended on 30 April 2006. Thereafter, the following will apply –

5.2.1 the Concessionaire shall apply no less than an amount equal to 1 percent of its annual payroll expenditure for the year covered by each annual skills transfer and training programme for the skills transfer and training programme for that year for its own employees ~~and members of the Local Community~~; and

5.2.2 in addition, ~~the Concessionaire shall procure that each of its first tier sub-contractors either itself applies no less than an amount equal to 1% of that first tier sub-contractor's annual payroll expenditure for the year covered by each annual skills transfer and training programme for the skills transfer and training programme for that year for that first tier sub-contractor's employees and members of the Local Community, or that each of those first tier sub-contractors pays no less than that amount to the Concessionaire, which shall itself then apply that full amount for a skills transfer and training programme for that year for employees of the first tier sub-contractor and members of the Local Community; if any of the facility management services listed in Annexure B are not performed by the Concessionaire itself, but are performed for it under contract by any third party/ies, the Concessionaire shall procure that each of those third parties complies with the principles set out in clause 5.2.1 in relation to its employees providing those services; and~~

Comment [A11]: This clause can only apply after the final agreement of Schedule 9.

5.2.3 the annual payroll expenditure for each year of the Concessionaire ~~and each of its first tier sub-contractors~~(or any third party to whom clause 5.2.2 applies) means the relevant entity's total costs of employment, including salary and all benefits, in that year. If any ~~first tier sub-contractor~~third party to whom clause 5.2.2 applies carries on operations related to the ICC, and also other operations that are not so related, then for purposes of this clause its annual payroll expenditure shall be restricted to the total costs of employment, including salary and all benefits, in that year incurred by it on employees or other personnel engaged (whether full time or as part only of their duties) in activities relating to the ICC;



5.2.4 ~~not less than []% of the respective annual payroll expenditures for the year covered by each annual skills transfer and training programme of the Concessionaire and its first tier sub-contractors shall be applied to skills transfer and training programmes for members of the Local Community; and in rolling periods of three years (the first starting on [1 December 2005]) the Concessionaire shall ensure that the annual payroll expenditure of the Concessionaire under clause 5.2.1, and of each third party to whom clause 5.2.2 applies, under clause 5.2.2, is applied in approximately the same proportions (by payroll) as those of the employment bands of employees of the Concessionaire or that third party (as the case may be).~~

Comment [A12]: Should be 13 June 2006.

~~5.2.5 first tier sub-contractors are all third parties with whom the Concessionaire itself concludes contracts for any activities forming part of the Operation and Maintenance of the ICC, irrespective of the form of that contract.~~

Comment [P13]: Why? I cant see how we'd be able to do this. Even if it was possible it would demand an audit of their payroll and expenditure...???

6. REPORTS

6.1 The Concessionaire shall furnish the Concessor ~~within [30 days] after the end of the Construction Period, and thereafter within [30 days] after each anniversary of the commencement of the Operations Period,~~ with a report on its compliance with its obligations under this Schedule, in accordance with the provisions of this clause, for each 12 month period, by no later than [60 days] before the start of each Financial Year.

Comment [P14]: Annual empowerment report is best prepared using audited information so best submission date is at least 60 days after finalization of audit. 60 days BEFORE the start of each financial years is not workable. The best workable solution should be to submit all the reports as in clause 6, 30 days after submission of the audited financial statements.

6.2 **[DRAFTING NOTE: Clarify what twelve-month periods are envisaged here. If the report has to be in 60 days before each Financial Year begins, is it the twelve months ending, say, ninety days before that Financial Year begins?]**

6.2 Each Annual Empowerment Report shall be prepared and certified by an accredited specialist empowerment ratings agency, or a member of the association of BEE Verification Agencies, or other third party approved in advance by the Concessor.

Comment [A15]: As mentioned, best workable solution should be to submit all the reports as in clause 6, 30 days after submission of the audited financial statements.

6.3 Each Annual Empowerment Report shall set forth –

- 6.3.1 **Equity ownership of all Black Persons and Black Enterprises** in the period covered by that Annual Empowerment Report, and details of all changes whatsoever in ownership of that Equity in that period (including, without limitation, changes effected through any acquisition or disposal of issued shares, or through any subscription for new shares);
- 6.3.2 **shareholder loans of each shareholder in the Concessionaire who is a Black Person or a Black Enterprise, and details of all changes** in those shareholder loans in the period covered by that report (including, without limitation, changes effected through repayments);
- 6.3.3 **the voting rights** attaching to all classes of Equity owned by Black Persons or Black Enterprises in the period covered by that report;
- 6.3.4 **details of all dividends** and other distributions declared to and received by Black Persons or Black Enterprises in respect of their Equity, as well as all payments made to Black Persons or Black Enterprises in respect of any shareholder loans or interest on them, in the period covered by that report;
- 6.3.5 **a complete statement of all amounts paid under subcontracts incurred to Black People and/or Black Enterprises in accordance with clause 3** in the period covered by that report, identifying each recipient of any such payment, specifying the amount paid to it, and specifying the goods or services to which that payment relates;
- 6.3.6 details of the Concessionaire's compliance with its obligations under clause 4 in relation to **employment equity, specifying in reasonable detail how that compliance is constituted and any material non-compliance** with its obligations in respect of each employment equity plan;
- 6.3.7 a complete statement of all targets set forth in the **skills transfer and training programme for the period to which that report relates that have been achieved by the Concessionaire and/or its first-tier sub-contractors each third party to whom clause 5.2.2 applies, together with details of the costs incurred** by each of them in respect of those targets;

Comment [A16]: Only to commence after final agreement of Schedule 9.

6.3.8 a **complete statement of all targets** set forth in the skills transfer and training programme for the period to which that report relates that have not been achieved, together with the reasons for not achieving those targets;

6.3.9 details of any portion of the amount which the Concessionaire and/or its ~~first tier sub-contractors~~ each third party to whom clause 5.2.2 applies was obliged to spend on the skills transfer and training programme for the period covered by that report not applied by it or them towards that programme, together with the Concessionaire's ~~and/or sub-contractors'~~ reasons and/or those of each third party to whom clause 5.2.2 applies for not doing so;

Comment [A17]: Only to commence after final agreement of Schedule 9.

Comment [A18]: Only to commence after final agreement of Schedule 9.

6.3.10 a complete statement of the **training elements in each skills transfer and training programme that have been formally registered** in the period to which that report relates, with details of each registration, and a complete statement of any other formal external accreditation of any of those elements, with details of that accreditation;

6.3.11 details for the period covered by that report of incumbents of ~~all Key Personnel Positions~~ all Personnel employment, specifying which of them are Black People; and

~~[NOTE: If we move to grading bands, the report will be required to provide details of incumbents of each grading band, specifying which of them are Black People.]~~

6.3.12 to the extent that any of the Concessionaire's obligations under this Schedule have not been met in the period covered by that report, any explanations for that failure that the Concessionaire wishes to provide.

~~6.4 The Concessionaire shall submit a report to the Concessor on its planned outreach programmes for corporate social responsibility outreach for each Financial Year by not less than [60 days] before the start of that Financial Year.~~

7. EXEMPTIONS AND WAIVER

- 7.1 Penalties will not be assessed against the Concessionaire for a failure to meet its obligations under clause 2, where the Concessor unreasonably fails to approve any application by the Concessionaire to amend the Shareholders Agreement in order to effect compliance by the Concessionaire with any of its obligations under clause 2.
- 7.2 Penalties will not be assessed against the Concessionaire for a failure to meet its obligations under clause 3, where the Concessor unreasonably fails to approve any proposed contract with any subcontractor, as a result of which the Concessionaire fails to meet any of its obligations under clause 3.
- 7.3 The Concessor may, in its sole and absolute discretion, waive all or any part of the obligations imposed on the Concessionaire under this Schedule. Any such waiver shall apply only to the specific extent for which it is given, and shall not imply any other or further waiver.

8. PENALTIES

- 8.1 If the Concessionaire fails to meet any of its obligations under this Schedule ~~for any period for which an Annual Empowerment Report must be delivered,~~ assessed as an annual average in each successive period of two Financial Years, penalties shall be applied, in accordance with the provisions in this clause.
- 8.2 To decide the relevant penalty, the shortfall in meeting the relevant target will first be calculated. It will be calculated as a percentage, and in each case will be the percentage which the shortfall in meeting the relevant target is of that target. That percentage is referred to in each case as the “shortfall percentage”.
- 8.3 Where there is a shortfall percentage in relation to any target, the parties will calculate the same percentage of the Concession Fee (if any) that would have been payable in respect of the period concerned (ignoring any penalties applicable against that Concession Fee), and in this clause that will be referred to as “the Concession Fee Percentage”.

- 8.4 If the Concessionaire fails to achieve the level of Equity ownership by Black People and Black Enterprises required in terms of clause 2, then the Concession Fee attributable to that period concerned shall be increased by the greater of (1) R1,000,000 and (2) the amount which is the applicable Concession Fee Percentage in respect of that period, but up to a maximum of 35% of that Concession Fee. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1.
- 8.5 If the Concessionaire fails to achieve the level of payment of either Capital Expenditure or Operating Expenditure to Black People and Black Enterprises required in terms of clause 3, then the Concession Fee attributable to that period concerned shall be increased by the greater of (1) R500,000 and (2) the amount which is the applicable Concession Fee Percentage in respect of that period, but up to a maximum of 25% of that Concession Fee. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1.
- 8.6 If the Concessionaire fails to fill the target level of Key Personnel ~~Positions~~positions with Black People as required in terms of clause 4.1, or to implement employment equity plans as required in terms of clause 4.2, then the Concession Fee attributable to that period concerned shall be increased by the greater of (1) R250,000 and (2) the amount which is the applicable Concession Fee Percentage in respect of that period, but up to a maximum of 15% of that Concession Fee. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1. If the Concessionaire fails to submit any employment equity plan or report envisaged in clause 4.2, then the failure for purposes of this penalty clause shall be deemed to be 100%. If the Concessionaire submits the relevant employment equity plan, but fails to carry it out in full, then the parties shall calculate the extent of the failure as a percentage, on such reasonable grounds as they may agree. If they cannot agree within 15 Business Days of either of them calling on the other to

do so, then that failure shall constitute a dispute and shall be resolved in accordance with clause 29 of the Concession Contract.

8.7 ~~{NOTE: if we use grading bands instead of a Key Personnel Positions schedule, this paragraph must change to refer to failures to meet the targets in any of those bands, and we will then have to stipulate how to assess the penalty in each band, or over the bands taken together.}~~

8.7 If the Concessionaires fails to apply the full amount or percentage of the relevant annual payroll expenditure, or to procure that any of its first tier sub-contractors third party to whom clause 5.2.2 applies, applies the full amount or percentage of the relevant annual payroll expenditure, on the skills transfer and training programme as required in terms of clauses 5.1 and 5.2, then the Concession Fee attributable to that period concerned shall be increased by the greater of (1) R250,000 and (2) the amount which is the applicable Concession Fee percentage in respect of that period relating to that failure, but up to a maximum of 15% of that Concession Fee. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1. For purposes of this sub-clause, annual payroll expenditure shall have the same meaning as is specified in clause 5.2;

8.8 if the Concessionaire fails to submit any Annual Empowerment Report in terms of clause 6, within thirty days after the due date for submission of that report calculated in terms of clause 6.1 (“the extended reporting date”), then the Concession Fee attributable to each Concession Year during which that failure continues shall be increased by the amount of R50,000 for each month or part thereof during which that failure exists. If no Concession Fee would have been payable for that period, then for purposes of this calculation the Concession Fee attributable for that period shall be deemed to be R1. There shall be no maximum cap for this penalty, and there shall be no maximum period for which this penalty will be applicable in relation to the failure to deliver any particular report, so if that failure persists over or into more than one Concession Year, the penalty shall continue to apply until that failure is remedied.

8.9 All amounts specified in this clause shall be escalated from 1 January 2007 and annually thereafter in accordance with the CPLX.

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**Province of Gauteng
Cradle of Humankind World Heritage Site
Management Authority**

**Management Plan for the Design,
Construction, Exhibition Installation and
Operation of the Interpretation Centre
Complex for the Cradle of Humankind
World Heritage Site**

Revision 1, February 2005

STERK FONTEIN

CONTEXT

		Rank	Score	Comments Jul 2013
Legal Status	Does the site have permanent legal status SAHRA/NEMPAA	3	2	This is a declared national heritage site
Protected area regulations	Are there legal mechanisms in place to control inappropriate activities	3	2	As before. Generic issue
Heritage site boundary demarcation	Has the boundary been surveyed and registered on the title deeds of the property?	3	2	The title deeds are still outstanding.
Heritage resource inventory	Is there enough information to manage the heritage resources?	3	3	The Sterkfontein site is perhaps the best documented site in the COH WHS, and is still generating research that is continuously improving the understanding of the site.
Biodiversity resource Inventory	Is there enough information to manage the biodiversity?	1	0	
				9

PLANNING

Heritage site design	Is the size and shape of the heritage site adequate to achieve proper heritage management?	3	3	The site is one of the larger NHS's in the COH WHS
Heritage agreement	Is there a heritage agreement signed by the landowner, MA and SAHRA?	3	1	As before. The MOU between the MA and SAHRA needs to be signed before these agreements can be signed.
Site management plan	Is there an approved management plan compliant with The WHCA and NEMPAA	3	1	As before. The updating of the plans must be jointly discussed and agreed upon by SAHRA and the MA, together with input from the scientists and landowners. The IMP for COHWHS will be a plan that is approved in terms of the WHCA, but at this stage, the fossil site management plans are not incorporated in the IMP.
Tourism management framework	Is there a visitor use system which includes visitor infrastructure that explains the nature of the operation	3	3	A tourism plan is in place, however please note the various concerns and issues raised by the inspection team in the comments further below regarding tourist facilities and the tourism offerings in relation to heritage resource management.
Is there a SAHRA permit	Does the scientist have a permit?	3	3	As before. However, please note that the permit is issued to Prof Thackeray as Director: IHE. This institution has been merged with the BPI to form the Evolutionary Studies Institute and Prof Rubidge is now the director of this institute. SAHRA to determine in future whether the permit is to be amended to reflect Prof Rubidge as opposed to Prof Thackeray.
NEMPAA Authorisation	Has the site been authorised in terms of NEMPAA (REGS.)	3	0	Applicability of NEMPAA is questionable due to status of MA.
Supplementary items	The planning process allows adequate consultation with key stakeholders in the compilation of the management plan	1	1	
	There is an established schedule and process for periodic review and updating of the management plan	1	1	In theory, the plans are to be updated in 2013. Ideally this should be done in collaboration with SAHRA, the landowner and the permitted scientist. However, this is difficult to co-ordinate.

	The results of monitoring, research & evaluation are routinely in corporates into planning	1	1	There is some evidence of the site safety findings making their way into the current permit for excavations at Sterkfontein - for example, the plans to start stepping back the highwall in top excavations that was of serious concern to the site safety inspector. Particularly with Sterkfontein, there is a need for greater co-ordination between the MA and Maropeng to discuss and develop ways forward relating to matters arising out of the site inspections, particularly where these matters are related to visitor and tourism management impacting on heritage resources.
	There is a programme for the implementation do the management plan and it's costing	1	1	This exists, however, the problem across all of the sites is that of implementation.
	Do regional plans support and recognise the heritage site and it's objectives?	1	1	As before.
TOTAL		23	16	
INPUTS				
Research and monitoring programme	Does the scientist have a plan of operation which includes a site plan?	3	3	The new permit does include an updated site plan. The permit proposal also includes a plan of operation.
Human resource capacity	Is there enough HR capacity to manage the site?	3	1	At the inspection, there were discussions regarding the tour guides. Comments have been made to the effect that: 1. There is a relatively high turn over of guides 2. The evidence of increased graffiti in the caves suggests that the tour guides are not able to adequately control tour groups in the caves - resulting in a suggestion that either the size of the tour groups should be reduced or that two guides attend each group - one to lead and the other to follow at the rear and ensure that the group stays together and do not damage the caves. From a scientific research capacity, there are relatively high number of skilled people that work the Sterkfontein excavation sites. Furthermore, the creation of the casting facility has also resulted in more capacity, even though at this stage the fossil casting is not directly linked to Sterkfontein site.
Research capacity of applicant	Does the excavation team have enough HR capacity	3	3	As before.
Current budget	Is the current budget sufficient (MA/SAHRA and research team)	3	1	The funding situation from a research perspective is looking somewhat better than previously reported. Funding from PAST and the COH WHS Trust is apparently expected. The permitted scientists are currently developing a Sterkfontein continuity plan that will outline the funding needs for the site from a research perspective. Funding is required in particular for the top excavation - the stepping back, scaffolding etc.
Security of budget	Is the budget secure?	3	2	As before.
Income	Is the income from various resources used for heritage resource management	3	2	As before.
Law enforcement	Is there enough capacity to enforce legislation?	3	1	As before
TOTAL		23	16	
PROCESSES				
Annual plan of operation MA/SAHRA	Is there an annual site specific work plan	3	2	Confirmed through SAHRIS - the new permit included a detailed project proposal, which essentially constitutes a work plan. However, this maybe something that in future should be requested as part of the inspection process.
Scientist plan	Has a site plan been submitted by the scientist to SAHRA/MA	3	3	Confirmed.

Environmental resource management	Is the heritage site adequately managed in terms of invasive species, fire, snares	3	2: The Concessionaire undertakes management of the grounds as per the now expired concession agreement and the EMP for the ICC and Visitor Centre Complex. Inside the cave, the evidence of algae growing around the lights, which will require addressing. There do not appear to be any environmental concerns relating to the external excavation areas.
Heritage resource management	Is the heritage site adequately managed (maintenance of the sites, kilns, retaining walls in the excavation, Breccia dumps).	3	2: Within the cave, there are several tourism issues that require attention because of their potential for negatively impacting the heritage resources. Firstly, the issue of graffiti was again raised (see comments above discussing the graffiti), secondly, the issue of the tour guides allowing the smaller groups into the cavern off the Milner Hall; thirdly, the issue of the lighting remaining on in the caves, leading to algal growth; fourthly, the need to make a final decision regarding the route - it is suggested that the current route past the lake be made permanent, and the fencing be removed and more permanent features be installed; fifthly the need to keep tour groups on a dedicated path -this will require discussions with Maropeng regarding the usage of rubber matting versus using a concrete path with barriers. There are still outstanding issues regarding the site safety findings (hard hats, signage etc). Also related to the tourism route is the need to incorporate the kilns and the mining history into the exhibitions and tour. Regarding the external excavations, there are plans to commence with the stepping back of the highwall that was of concern in the site safety inspections, towards the concrete stairs. However it is not anticipated that the highwall will slump into the cave deposit. A scaffold will also be erected to allow for the safer excavation of M4/ The witness section will require stabilisation, and at some point the eastern wall of M4 will also require some work to be done. There are also plans to erect a new GIS grid over the top excavation. There are also plans for the sign indicating the Isaac Stegmann Nature Reserve to be re-worded and moved to be closer to the entrance of the caves, after complaints by the family (Prof Thackeray to apply to SAHRA). The bust of Prof Tobias at the exit also requires revision to reflect his date of death. A potential issue to be discussed with Maropeng is the selling of "genuine" fossilised shark teeth in the shop at Sterkfontein - these are apparently endorsed by an unrecognised heritage institution.
Curatorship	Is there adequate provision made for curatorship, repository and management and monitoring	3	2: The existing brick lab is now being shared with the casting facility. Additional shelving and storage space has been provided, and the excess material that was seen at the last inspection has been cleared. Prof Thackeray confirmed that a new hominid vault is being installed at the ESI for Little Foot. Little Foot is partly scanned - the skull is proving difficult to scan as the block it is contained in is too large to fit into the scanner.
Administrative systems	Are administrative systems in place that support effective management?	3	1: In addition to this generic item, there are additional concerns regarding Maropeng's systems relating to the training of the tour guides and tour guide turnover, which will be discussed further on
Operational equipment & infrastructure	Is there adequate equipment and infrastructure to manage the heritage value of the site.	3	2: Again, a distinction must be made between tourism related infrastructure and scientific research related infrastructure and equipment. From a scientific research perspective, Sterkfontein is well-equipped. It is the only site with its own on-site laboratory and storage facility. The tourism related infrastructure will be discussed under the "Visitor facilities" section.
Maintenance of equipment and infrastructure	Is equipment and infrastructure for the heritage site adequately maintained (Who ever is responsible?)	3	2: As above, the tourism related infrastructure will be discussed further below. Regarding the scientific research equipment and infrastructure, the old scaffolding over the top excavation has been removed and will have to be properly disposed of. There were no other areas of concern regarding excavation equipment.

Education and awareness programmes	Is there an education programme in place?	3	1	Of particular concern at this inspection is the issue of site interpretation, tour guide training and tour guide turnover. There is a need for the MA to engage with Maropeng to determine the following: the extent and regularity of any ongoing training that is provided to the tour guides to ensure that the most up to date and accurate information is being provided to the tourists; the rumours of high turnover of tour guides, and the "training" of new recruited tour guides by the other tour guides, rather than through a formalised training programme at Maropeng; and the need for the tour guides to be registered with CATHSSETA. There are also plans to upgrade the exhibition at the Sterkfontein museum. It is a recommendation that the lime kilns, and more information relating to the mining history be incorporated into the Sterkfontein story line to ensure that the site's full educational potential is reached.
Landowners relationships	Is there cooperation and open relationship with landowners of the site?	3	3	
Advisory committee and forum	An advisory committee of local representatives and specialist advisors on heritage management and pa issues	3	2	There has been a request from the permitted scientist for a more regular and formalised meeting of the COH WHS scientists and the MA and SAHRA to discuss COH WHS related issues and to co-ordinate research, leverage funding etc.
Commercial tourism	Do tourism operators contribute to site management.	3	2	The extent to which the tourism is contributing to the improved management of the Sterkfontein caves is unclear, particularly in light of the concerns raised at this particular inspection.
IFS performance and evaluation system	Is there a functional evaluation system in place to measure performance against objectives as set out in the management plan?	3	1	
Supplementary item	Do community partners have input to management decisions via the advisory committee?	1	0	As before. The permitted scientist has expressed his support for a formalised meeting to be established between the researchers working in the COH WHS with the MA and SAHRA as part of the inspection process, where relevant matters can be addressed on a COH WHS level, as opposed to site specific issues raised at the inspections.
OUTPUTS		25	25	

<p>Visitor facilities</p>	<p>Are visitor facilities good enough to prevent damage to the site?</p>	<p>3</p>	<p>2 At this inspection, there were several issues relating to the impact of tourism activities on the cave in particular. Firstly, it appears that there has been an increase in the amount of graffiti witnessed in the cave. Secondly, the lighting in the cave needs to be addressed to conform with international best practice for show caves. Thirdly, the rubber matting used to denote the tourist route through the cave has long been an issue of contention. The tour groups are clearly not staying on the route and are possibly lead to compression of the cave floor material. The permitted scientist was of the view that the cave floor is primarily composed of crushed and mixed material that is relatively difficult to tie back to the main fossil deposits and thus is of low scientific value. It would be relatively easy to survey the route for areas of scientific value. International practice regarding tourist routes in show caves appears to be favouring concrete paths, with stainless steel barriers to prevent tourists from leaving the path - as is the case with the entrance and the exit to the cave. Fourthly, the level of the lake in the caves is not likely to rise any further, and thus it was suggested that the existing route past the lake be made permanent - the green temporary fencing should be replaced with appropriate permanent barriers. Fifthly, apparently when there are small tour groups, the guides allow the groups into a small cavern off the Milner cavern - graffiti has been witnessed here. The recommendations are for the MA to write and meet with Maropeng to: 1. Suggest that an additional tour guide accompany each group to ensure that no members of a tour group can step away from the tour and create graffiti. An additional tour guide will also allow for the turning on and off of lights during a tour, rather than having the lights on permanently, as well as ensuring that the tour groups stay to the tour path. 2. Suggest the rubber matting used for the current tourist route be replaced with concrete and stainless steel barriers, after being surveyed by the permitted scientists. 3. Suggest that the temporary route past the lake be formalised - install no go tape / barrier to prevent access to previous route, and install a permanent barrier in place of the green pool fencing. 4. Request that no groups be allowed access to Milner Cavern - install no go tape / barrier.</p>
<p>Research outputs</p>	<p>The site produces research papers and lecture tours that promote site significance.</p>	<p>3</p>	<p>3 Yes, there have been quite a few lecture tours undertaken by the permitted scientist, particularly in the UK recently. The publications on Little Foot are still pending.</p>
<p>Excavation continuity programme</p>	<p>There are active programmes to restore or</p>	<p>1</p>	<p>0 This is not yet an area that requires attention at Sterkfontein.</p>
<p>Supplementary item</p>	<p>Where applicable are impacts of legal and illegal</p>	<p>1</p>	<p>0</p>
<p>Heritage condition assessment</p>	<p>Are the heritage assets being managed in accordance with MP objectives?</p>	<p>3</p>	<p>2 Whilst the plans need updating, this will not be as effective as it should be</p>
<p>Protection systems</p>	<p>Are the available management mechanisms working to control both illegal and legitimate access or use?</p>	<p>3</p>	<p>2 At the inspection, there was evidence of brickwork that has been stolen from one of the now defunct pathways (address with Maropeng). There have also been issues regarding film crews at Sterkfontein attempting to enter areas that they are not permitted to access. There are possible concerns regarding tourists in the cave, given the increased evidence of graffiti</p>
<p>Economic and social benefit assessment</p>	<p>Is the heritage site providing economic and social benefits to local communities</p>	<p>3</p>	<p>2 The tour guides are generally recruited from the local communities, and the new trainees of the casting facility are all from local communities.</p>
<p>Supplementary item: Ecological condition assessment</p>	<p>Are biodiversity assets and values being managed consistent with site management objectives?</p>	<p>1</p>	<p>1 Maropeng manage in terms of the EMP for the ICC and Visitor Centre Complex</p>



Supplementary item. Local Authority Support	Does the local authority in exercising of their mandate support the actions of the MA	1	0 As before				
		9	12				
Grand TOTAL		116	75				

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1. INTRODUCTION

1.1 Clause 16.7.1 of the National Treasury Regulations for departments, trading entities, constitutional institutions and public entities issued in terms of the Public Finance Management Act, 1999 (PFMA), as amended in May 2002, (Regulations) provides, in pertinent part, that after the procurement procedure for a PPP has been concluded, but before the accounting officer or accounting authority of an institution enters into a PPP agreement, she or he must obtain approval from the relevant treasury-

“(b) for a management plan that explains the capacity of the institution to effectively enforce the agreement including, to monitor and regulate implementation of and performance in terms of the agreement.”

1.2 The foregoing approval constitutes one of a two-part Treasury Approval: III process (TA) III, the other being that the relevant treasury finds that the PPP agreement contains the affordability, value for money and appropriate technical, operational and risk transfer specified by the Regulations.

1.3 This document sets forth the Gauteng Department of Agriculture, Conservation, Environment and Land Affairs (DACEL) PPP Contract Management Plan required by Clause 16.7.1(b) of the Treasury Regulations for the design, construction and exhibition installation of the Interpretation Centre Complex at the Cradle of Humankind World Heritage Site (COHWHS) by the concessionaire Furneaux-Stewart Gapp (FSG).

1.4 The Concession Contract was initially signed on 19 October 2003 on behalf of the Gauteng Provincial Government by the Department of Agriculture, Conservation, Environment and Land Affairs (DACEL). Institutional changes have resulted in DACEL now being the Department of Agriculture, Conservation and Environment, and that Department has been formally appointed as the Cradle of Humankind World Heritage Site Management Authority (COHWHS MA). That Authority has in turn delegated responsibility for the management and administration of the Cradle of Humankind World Heritage Site to the Gauteng

Provincial Government's Department of Finance and Economic Affairs, which in turn has delegated that authority to the COHWHS MA Chief Executive Officer (CEO).

- 1.5 Since the signing of the Concession Contract a new version of Treasury Regulation 16 has been promulgated. Since that signature date also, the parties to the Concession Contract have begun implementing the provisions of the contract and it is now necessary to revise this Contract Management Plan so as more accurately to reflect the requirements of the project at the date on which this revision is adopted (February 2005). In making that revision, provisions in the various sections which were correct when the plan was initially adopted have generally not been changed, except where a change enhances clarity, but it is affirmed that the revisions comply with Treasury Regulation 16 as it is in force when this revision was adopted.
- 1.6 The Concessionaire that is a party to the Concession Contract is the special purpose vehicle set up for that purpose by the Furneaux-Stewart Gapp Consortium, FSG Special Purpose Company (Proprietary) Limited. References in this plan to FSG are to be construed as referring to that company.
- 1.7 To take account of the institutional changes and the appointment of the COHWHS MA, the references in the original version of this plan to DACEL are being changed throughout to refer to the COHWHS MA.
- 1.8 This Management Plan is structured as follows:
 - 1.8.1 Purpose
 - 1.8.2 Background
 - 1.8.3 The Concession Contract
 - 1.8.4 Risk Management

- 1.8.5 Contract management and governance structures within COHWHS MA
- 1.8.6 Contract management and governance structures within the Concessionaire (FSG)
- 1.8.7 Concession Contract responsibilities and timeframes
 - 1.8.7.1 Conditions Precedent
 - 1.8.7.2 Construction
 - 1.8.7.3 Exhibition Installation
 - 1.8.7.4 Operations arrangements
- 1.8.8 Amendment of Contract Management Plan

2. PURPOSE AND GENERAL PRINCIPLES

- 2.1 The Purpose of this Contract Management Plan is to:
 - 2.1.1 Ensure delivery of the contracted services;
 - 2.1.2 Deal with performance variations;
 - 2.1.3 Authorise payments of the grant funds provided by Blue IQ; and
 - 2.1.4 Validate the concession fees paid by FSG in terms of the Concession Contract.
 - 2.1.5 Manage risk through allocation and mitigation.
 - 2.1.6 Management of the contractual rights and obligations of parties

- 2.2 The General Principles inherent in this Contract Management Plan are as follows:
- 2.2.1 Contract Management is the activity whereby the COHWHS MA ensures that the respective roles and responsibilities set out in the contract are fully understood and fulfilled to the contracted standard so that value for money is delivered. Where contracted standards are not fulfilled, COHWHS MA will apply mechanisms established in the contract to rectify any under-performance.
- 2.2.2 Performance Monitoring is a specific activity within overall Contract Management that includes the day to day process of monitoring trends, assessing whether the services contracted for are delivered to the required standard and assessing the remedial action to be taken by FSG when the performance standards are not met.
- 2.2.3 Effective Contract Management ensures that the Concession Contract delivers value for money in the form of cost effective, reliable and timely services at agreed prices and to agreed quality, consistent with legal standards, financial probity and management accountability while maintaining good client/concessionaire relationships.
- 2.2.4 The structure of the Concession Contract defines the basis for the long-term construction, exhibition installation and operational and managerial relationships between COHWHS MA and FSG.
- 2.2.5 COHWHS MA has put in place a Programme Manager and staff who will be responsible for managing the Concession Contract. The designated Programme Manager has been involved in the project from its inception, and is fully conversant with all elements of the project. Most of the staff assigned to assist the Programme Manager have likewise been involved in the project for an extended period of time and are also fully conversant with the elements of the project applicable to their particular field of expertise.

2.2.6 COHWHS MA has also implemented a comprehensive knowledge management programme in terms of this project, where all relevant information pertaining thereto, from the inception thereof, has been, and will continue to be, appropriately catalogued and established in a readily-accessible database available to both COHWHS MA and FSG.

2.2.7 COHWHS MA and Wits have committed to provide realistic financial and resource budgets to cover the costs relating to Contract Management. The bulk of the Contract Management activities will be carried out by COHWHS MA and Wits employees, with provision being made in terms of financial resources for such outsourced expertise as may be required during the term of the Concession Contract.

2.2.8 COHWHS MA and Wits have further committed to making financial provision for third-party auditing of the performance of the parties to the Concession Contract.

3. BACKGROUND

3.1 The Department of Agriculture, Conservation, Environment and Land Affairs (DACEL) of the Province of Gauteng, now the COHWHS MA, together with the University of the Witwatersrand (Wits), embarked upon a process in 2001 for the procurement of the design, construction, exhibition installation and operation of the Interpretation Centre Complex for the Cradle of Humankind World Heritage Site (ICC) located in Gauteng and North West Provinces, pursuant to the processes then in place in terms of the PFMA and Treasury Regulation 16.

3.2 This procurement has previously received the following approvals from National Treasury in terms of the Regulations:

- Treasury Approval (TA) I
- Treasury Approval (TA) IIA
- Treasury Approval (TA) IIB

- 3.3 Subsequent to the receipt of (TA) IIB, COHWHS MA and Wits embarked upon negotiations with the Furneax-Stewart Gapp consortium (FSG), the preferred bidder, for the provision of the services described in 3.1, above, which negotiations have proceeded to a stage in which contract negotiations have been completed, and the Concession Contract so negotiated is ready for execution by the parties.
- 3.4 It is, therefore, necessary to obtain the approval required of Clause 16.7.1(b) in order that the Concession Contract, as negotiated, may be executed, which execution will occur upon issuance of TA (III) from National Treasury.
- 3.5 In terms of the provisions of the Concession Contract, FSG will design, construct, install exhibitions in and operate the ICC on sites provided to FSG at Mohale's Gate, adjacent to the Cradle of Humankind World Heritage Site and at Sterkfontein, within the Site, for a period of ten (10) years, with the opportunity to continue said operations, subject to certain conditions, for two additional five (5) year periods. The Gauteng Province, through its Department of Transport and Public Works, is the owner of the Mohale's Gate site, and Wits is the owner of the Sterkfontein site, access to both of which is provided by the terms of the Concession Contract.
- 3.6 COHWHS MA and Wits both acknowledge that to effectively manage a Concession Contract for a term of this length will require staff with the necessary skills, available financial resources, a sound relationship with FSG and the necessary contractual instruments to cater for the eventualities that may arise during the course of the Concession, consistent with the purpose and general principles set forth in 2, above.
- 3.7 To this end, COHWHS MA and Wits have executed an Agreement, the terms of which provide, in summary, that COHWHS MA shall undertake the Contract Management responsibilities for this initiative, with appropriate allocation of responsibilities to Wits as specific occasions require, from time to time. A copy of this Agreement is attached hereto as **Annex A**.

3.8 COHWHS MA staff and any Wits staff charged with responsibility to enforce the conditions of the contract have a thorough understanding of the project, familiarity with the terms of the Concession Contract and the various processes and requirements set forth therein, good communication skills and personal relationship skills. COHWHS MA and Wits acknowledge their respective responsibilities to provide for continuity in the Contract Management for the term of the Concession Contract, and further acknowledge that new processes, systems and management responsibilities may be needed during the term thereof.

4. THE CONCESSION CONTRACT

4.1 The Concession Contract is a comprehensive, single document addressing the conditions precedent, construction, exhibition installation and operation phases of the project. The long-term nature of the Concession Contract and the dynamic environment in which operations, particularly, of the ICC by FSG require necessary measures and procedures to cater for all types of eventualities which may affect the effectiveness and efficiency of the Concession Contract over its term.

4.2 Among the matters catered for in the Concession Contract are provisions for the following:

4.2.1 Payment of the capital amounts to FSG in accordance with the Milestones Document, attached hereto as **Annex B**. The capital amounts shall be sourced from the equity contribution to the FSG SPV by Blue IQ Holdings Limited, an association incorporated not for gain in terms of the Companies Act, No. 61 of 1973, the sole shareholder of which is the Gauteng Provincial Department of Finance and Economic Affairs.¹

4.2.2 Changes to the Concession Contract, whether requested by the Concessor Parties or FSG.

- 4.2.3 Disputes that may arise from the Concession Contract.
- 4.2.4 Deliverables of the Concession Contract, in terms of quality and quantity.
- 4.2.5 Performance by FSG in terms of the services to be delivered, including construction, exhibition installation and operation of the ICC.
- 4.2.6 Exit and transition measures to come into effect when the contract terminates for any reason.

5. RISK MANAGEMENT

- 5.1 The report submitted pursuant to Clause 16.7.1(a) addresses whether there has been “appropriate technical, operational and risk transfer” in the Concession Contract.
- 5.2 The cardinal principle in risk management is that the party best positioned to manage that risk do so. The Concession contract’s risk management provisions are consistent with that principle.
- 5.3 The risks so allocated are managed and mitigated through the approval, dispute resolution, Force Majeure, Material Adverse Government Action, Governing Law and Resolution of Disputes, Insurance and Termination provisions of the Concession contract.
- 5.4. A Risk Matrix Table setting forth the risks borne by the Parties is attached hereto as **Annex D**

¹ The reference to “Blue IQ Holdings Limited” should read “Blue IQ Investment Holdings (Proprietary) Limited”, and it is further recorded that the company was established as an ordinary limited liability company.

6. CONTRACT MANAGEMENT AND GOVERNANCE STRUCTURES WITHIN COHWHS MA

6.1 The proposed Concession Contract Management structure within COHWHS MA is founded on the premise that this project has a multiplicity of objectives, both near and mid-to-long term, the achievement of which will depend, to a great extent, upon the efficiency and effectiveness of these Contract Management processes and the skill and expertise of the COHWHS MA and Wits staff, from wherever sourced, to effectively monitor and evaluate the Concession Contract during the term of its implementation.

6.2 For the purposes of this Concession Contract Management Plan, the Concession Contract has been generally divided into four distinct phases, to-wit:

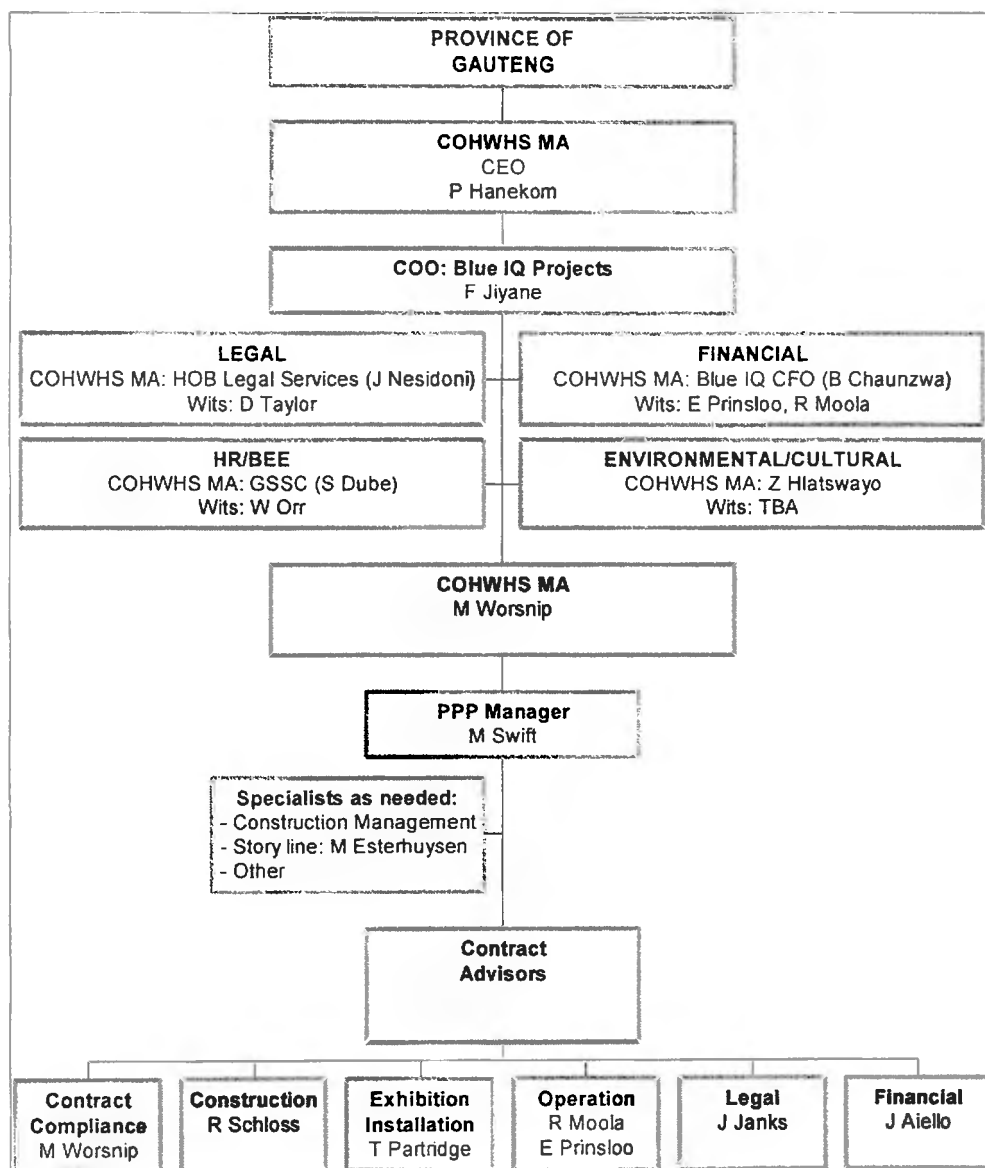
- The Conditions Precedent Phase;
- The Construction Phase;
- The Exhibition Installation Phase; and
- The Operations Phase.

However, it should be understood that certain tasks overlap between and among the phases: the Construction Phase and the Exhibition Installation Phase overlap, certain tasks that take place under the Exhibition Installation Phase will carry on throughout the remainder of the Concession Contract and certain tasks described in the Operations Phase, as to the Sterkfontein Site, may commence during the Construction Phase.

The responsibilities of the Programme Manager, who will have primary Contract Management responsibilities for each of these phases will be addressed separately, below.

6.3 COHWHS MA has established a dedicated sub-directorate for this Project, within the Department, to provide a broad range of contract management resources to each of COHWHS MA's PPP projects, including the ICC at the Cradle of

Humankind. The structure of the sub-directorate as at February 2005 is as follows:



Note that the Wits counterparts to the COHWHS MA positions set forth above is for the convenience only. Wits are not a part of the COHWHS MA PPP sub-directorate.

6.4 The Accounting Officer (AO) for the project as set out in the Treasury Regulations is Dr. P E Hanekom. The AO is supported by the Chief Operating Officer (COO), Mr. F Jiyane.

- 6.5 The day to day Programme Manager for this initiative is Mr Michael Worsnip, who has been designated the "project officer" in term of the Treasury Regulations with all authority required thereby. He will be the person responsible for ensuring the performance of all Concessor responsibilities set forth in the Concession Contract. He will be the person responsible for ensuring FSG's performance of all of the FSG responsibilities set forth in the Concession Contract. He will be supported by Ms. M Swift and the structure set forth above, Wits staff and outside expertise, as needed, for technical advice during all phases.
- 6.6 Mr Worsnip will be the principal point of contact with FSG, who will, under the terms of the Concession Contract, also designate an individual to be its point of contact on all matters relating thereto.
- 6.7 Both COHWHS MA and Wits shall provide such support utilizing, to the greatest extent possible, existing staff resources, the funding for which currently exists. To the extent that technical resources are required from sources other than existing COHWHS MA and Wits staff, funding will be provided through the then-current budgets of both institutions. Funding has been provided, in the opinion of both institutions, sufficiently to cover all anticipated Contract Management costs for this project through the conditions precedent, construction and exhibition installation phases. COHWHS MA and Wits have pledged to budget sufficient staff and financial resources for the duration of the Concession Contract.
- 6.8 The Concessor's Contract Advisors will prepare estimates of the hours and timeframes required for the performance of their assigned tasks, consistent with the Concession Contract, which will be catered for by COHWHS MA and Wits.
- 6.9 During the Term of the Concession Contract, the sub-directorate Project Team, or so many thereof as is appropriate under the circumstances, will meet on a monthly basis; for an update on the then-current state of the Project.
- 6.10 A Project Steering Committee (PSC) chaired by the CEO and constituted by the COO, COHWHS MA team and Wits team will meet on a bi-monthly basis. The

frequency of such meetings may be changed by the PSC to quarterly at a future time.

7. CONTRACT MANAGEMENT AND GOVERNANCE STRUCTURES WITHIN FSG

7.1 FSG has likewise established an organisational structure for the FSG Special Purpose Company (Proprietary) Limited. The organisational structure will become progressively more complete as the Concession Contract proceeds. FSG has established this organisational structure to reflect the following phases:

- The Development Phase, currently estimated to last for the first six (6) months of the Contract;
- The Pre-Opening Phase; and
- The Operational Phase.

The FSG organisational structure is attached hereto as **Annex C**. Included in Annex C is a diagram depicting the Design Approvals Sequence for the Facility, Exhibition and Storyline Design. The depicted Design Approvals Sequence will obtain throughout the Concession Contract in terms of the Exhibition and Storyline requirements contained therein.

7.2 The point of contact for FSG during the Development Phase will be Mr Rob King. FSG envision retaining the services of a General Manager during the first three (3) months of the Development Phase in order to ensure appropriate inputs into the final facility and exhibition designs to optimise the efficient operation thereof during the Operational Phase. The General Manager will work side-by-side with Mr King, and participate in appropriate meetings with Mr King and Mr Worsnip and the other members of sub-directorate Project Team during the Development Phase, to become completely familiar with the requirements of the Concession Contract and develop a personal relationship with Mr Worsnip and the sub-directorate Project Team, so that when the Operational Phase commences, there will be a seamless transfer of the FSG responsibilities and relationships from Mr King to the General Manager.

7.3 The FSG SPV shall govern itself, to the greatest extent possible, in accordance with the Corporate Governance Provisions set forth in the King II Report.

8. CONCESSION CONTRACT RESPONSIBILITIES AND TIMEFRAMES

8.1 The responsibilities of the Programme Manager for each Phase of the Concession Contract will include the responsibility for ensuring that the following actions take place by the specified target date, where applicable:²

Table 1.
Conditions Precedent Phase

	Task	Responsibility	Target Date
1	Register Mohale's Gate site in Concessor's name and rezoned. §2.1.1	Concessor	By the Effective Date – 20 February 2004
2	Construct, or procure provision of utilities & bulk infrastructure excluding solid waste removal, but including a tarred road to the Mohale's Gate Site. §§2.1.2, 8.7	Concessor	Effective Date – 20 February 2004
3	Undertake EIA. §2.1.3	FSG	By the Effective Date – 20 February 2004
4	Deal w/public comments to DEAT & Concessor's satisfaction. §2.1.4	FSG	By the Effective Date – 20 February 2004
5	Deliver Construction & O&M Bonds. §§2.1.5, 18	FSG	By the Effective Date – 20 February 2004
6	Provide notice to persons in charge of land prior to entry. §7.2.2	FSG	Prior to entry
7	Concessor to reasonably assist in obtaining environmental permits. §14.7.	Concessor	EIA authorisation obtained on 5 December 2003

² The description of the "Task" is a summary; the specific requirements shall be as set forth in the Concession Contract provision cited.

Table 2.
Construction Phase

	Task	Responsibility	Target Date
1	Obtain EIA & all other permits & approvals. §§3.1.3, 3.1.4	FSG	Construction commenced 7 June 2004 Other approvals?
2	Procure payment by Blue IQ in accordance with milestones. §§6.3, 6.4	Concessor	Per the Concession Contract Milestones
3	To extent Blue IQ funding insufficient, provide financing. §6.4.4	FSG	If required
4	Provide access to the Concession Area. §§7.3, 8.1	Concessor	Upon completion of Conditions Precedent – 20 February 2004
5	Deliver undisturbed possession of land. §8.1.	Concessor	Prior to date provided in Construction Schedule – 23 April 2004
6	Clearance of Concession Area. §8.2.1.	FSG	Per Construction Schedule – May 2004
7	Obtain permits for clearance of Concession Area. §8.2.2.	FSG	Per Construction Schedule - ??? – SDPs & SAHRA outstanding
8	Indemnify Concessionaire for hazardous materials on site arising prior to delivery of undisturbed possession. §8.2.3.	Concessor	Not required
9	Procedures for "finds". §8.5.4.	FSG	If required
10	Comply with NHRA, SAHRA & other heritage resource acts. §8.5.	FSG	HIA approval? Permits outstanding
11	Provide relief for delays caused by "finds". §8.5.6.	Concessor	If required
12	Review & Approve Preliminary & Detailed Design. §9.1	Concessor, for whole of ICC & Wits for Orientation Centre (OC)	Preliminary – Detailed - 9 June 2004
13	Bear all costs of connecting utilities from site boundaries to facilities. §8.7	FSG	Not required

	Task	Responsibility	Target Date
14	Obtain review of Preliminary Design. §§9.1, 9.2.1.	FSG	Achieved
15	After Preliminary Design Approval, issue Notice to Proceed with Detailed Design. §§9.2.4, 9.2.5.	Concessor	Achieved
16	Prepare Detailed Design. §9.2.6.	FSG	Achieved
17	Approve Detailed Design. §9.2.6.	Concessor	Achieved
18	Upon approval of Detailed Design, commence construction. §9.2.9.	FSG	construction commencement – 7 June 2004
19	Obtain approval for modification of approved Detailed Design. §9.2.12.	FSG	Not required
20	Concessor initiated suspension of construction works or variation in Detailed Design. §9.3.1	Concessor	If required
21	Undertake works in accordance with Construction Schedule. §9.4.1.	FSG	Per the Construction Schedule, & dates set out in §10 and §11.
22	Provide notice of delay in Construction Works. §9.4.4.	FSG	If required
23	Enter into Associated Contracts. §9.5.	FSG	Achieved ³
24	Furnish information relating to the Construction Works. §9.7	FSG	Upon Concessor's reasonable request.
25	Costs recoverable from contractors & third parties. §9.8.	FSG	If required
26	Works free from defects. §9.8.2.	FSG	Must forthwith fix defects found w/in 12 months of construction completion.
27	Works at Protected Sites. §9.9.	FSG	If required
28	Commencement of Construction. §10.	FSG	7 June 2004
29	Completion of	FSG	448 working days from

³ Changes to the Associated Contracts may occur in the future.

	Task	Responsibility	Target Date
	Construction. §11.		the later of the date upon which FSG obtained undisturbed possession of both sites and the date when construction commenced at the Sterkfontein site
30	Appointment of Independent Expert i.t.o. Commissioning the works. §13.1.	Concessor and Wits	Ronnie Schloss appointed – date?
31	Notification that construction works have been completed. §§13.2, 13.4.	FSG	If required
32	Independent Expert to issue a Completion Certificate or notice of non-compliance i.t.o. the construction works §§13.3, 13.5.	Independent Expert	Within 5 days of receipt of notice of completion.
33	Remediation of defects and notice of same to Independent Expert. §13.8.	FSG	If required
34	Duty to maintain Construction Bond. §§18.2, 18.12.	FSG	Maintain for 12 months after receipt of Construction Completion Certificate.
35	Duty to reinstate Construction Bond. §18.12.	FSG	Within 14 days of bond drawdown.
36	Duty to maintain insurance during construction. §23.1.	FSG	During the period of any Construction Works.

Table 3.

Exhibition Design & Installation Phase

	Task	Responsibility	Target Date
1.	Exhibition design approvals. Clauses 12.3, 12.5, 12.7 (completion certificate)	FSG	If required
2.	Exhibition Committee. Clause 12.4	Concessor	From effective date (20 February 2004) according to Schedule 10
3.	Procure payment by Blue IQ in accordance with milestones. §§6.3, 6.4	Concessor	Per milestones.
4.	To extent Blue IQ funding insufficient, provide financing. §6.4.4	FSG	If required
5.	Indemnify Concessionaire for hazardous materials on site arising prior to delivery of undisturbed possession. §8.2.3.	Concessor	If required
6.	Procedures for "finds". §8.5.4.	FSG	If required
7.	Comply with NHRA, SAHRA & other heritage resource acts. §8.5.	FSG	If required
8.	Provide relief for delays caused by "finds". §8.5.6.	Concessor	If required
9.	Design, construct, compile & install & operate permanent and temporary exhibits at the ICC, i.t.o. Technical Requirements. §§12.1, 12.2, Schedule 14.	FSG	Per Construction Schedule and Schedule 14. During Operation Phase of the Contract as well.
10.	Obtain approval for any exhibition, refreshed exhibition, i.t.o. prevailing academic practice or Story Line. §12.3, Schedule 14.	FSG	Per Construction Contract and during Operating Phase of the Contract as well.
11.	Upon completion, seek the issuance of a Completion Certificate. §§12.7, 13.6.	FSG	If required
12.	Use of fossils. §12.8.	FSG/Concessor/Wits	Not required

	Task	Responsibility	Target Date
13.	Exhibition Refreshment. §12.9.	FSG	During Operations Phase of the Contract.
14.	Appointment of Independent Expert i.t.o. Commissioning the works. §13.1.	Concessor and Wits	Within 30 days of Effective Date.
15.	Notification that Exhibition installation is complete. §13.6.	FSG	If required
16.	Independent Expert to issue a Completion Certificate or notice of non-compliance i.t.o. Exhibitions §13.7.	Independent Expert	Within 5 days of receipt of notice of completion.
17.	Remediation of non-compliance and notice of same to Independent Expert. §13.8.	FSG	If required
18.	Duty to maintain Construction Bond. §18.2.	FSG	Maintain for 12 months after receipt of Construction Completion Certificate.
19.	Duty to reinstate Construction Bond. §18.12.	FSG	Within 14 days of bond drawdown.
20.	Duty to maintain insurance during construction. §23.1.	FSG	During the period of any Construction Works.

Table 4.

Operations Phase

	Task	Responsibility	Target Date
1	Comply with NHRA, SAHRA & other heritage resource acts. §8.5.	FSG	If required
2	Use of fossils. §12.8.	FSG/Concessor/Wits	Not required
3	Exhibition Refreshment requirements. §12.9	FSG	On or before Effective Date.
4	Movable assets to be transferred upon termination of contract. §15.2.	FSG	Upon termination of the Concession Contract.
5	Concessionaire to provide access for academic purposes. §15.3.	FSG	If required
6	Concessionaire to provide access to Staff Accommodation. §15.4.	FSG	If required
7	Provisions relating to Sterkfontein tours by Wits staff and students, Concessor Parties, and V VIPs. §15.5	FSG, Concessor, Wits	If required
8	Undertake the Maintenance & Operation of the ICC. §16.1.1.	FSG	If required
9	Concessionaire to provide copies of operations manuals, & amended manuals. Clause 16.1.2	FSG	Within 60 days from date of Completion Certificate for Construction Works.
10	Concessionaire to provide quarterly Operations & Maintenance reports. §16.1.3.	FSG	Within 45 days from the end of the quarter in question.
11	Operation & Maintenance to be carried out i.t.o. manuals. §16.2.1.	FSG	If required
12	Operations & Maintenance manuals to be consistent with	FSG	If required

	Task	Responsibility	Target Date
	Concession Contract. §16.2.2.		
13	Concessor & Wits may inspect ICC. §16.3.1	FSG	If required
14	Notice of failure to Operate & Maintain i.t.o. Concession Contract; FSG's responsibilities. §16.3.2.	Concessor/FSG	14 day Notice period.
15	Use of fossil preparation centre. §16.4.	FSG	If required
16	Sterkfontein Cave Tours. §16.5.	FSG	If required
17	Concession Area Management responsibilities. §17.	FSG	If required
18	Maintain, reinstate Operations & Maintenance Bond. §§18.3, 18.5, 18.6.	FSG	O&M Bond effective from issuance of Construction Works Completion Certificate; maintained annually, 60 days prior to end of year; in effect until 40 days from termination.
19	Notice prior to enforcing O&M Bond. §18.10.	Concessor	14 day Notice period.
20	Reinstatement of O&M Bond. §18.12	FSG	14 days from date of Bond drawdown.
21	Duty to maintain insurance during operations. §23.2.	FSG	During the period from undisturbed possession ending with termination or expiry of Concession.
22	Decision re extension of concession. Clause 3.3.2.5	Concessor parties	If required
23	Final works processes & survey. Clause 16.6	FSG	Complete 12 months prior to expiry of the concession
24	All copies of insurance certificates to concessor by FSG. Clause 23.3.3	FSG	If required

8.2 Further, the DACEL Programme Manager and the FSG General Manager shall ensure that the following rights and obligations are fulfilled at any time during the Concession period:

GENERAL OBLIGATIONS

	Task	Responsibility	Target Date
1	Raise funds from commercial funders and sponsors. Preamble Clause (G).	FSG.	If required
2	Approve new business ventures within the ICC. §1 "Concession Rights".	Concessor and FSG, i.t.o. approval process to be defined.	If required
3	Implement "branding" agreement. [§].	Concessor and FSG.	
4	Comply w/Technical Requirements & Best Industry Practices. §5.1	FSG	From effective date (20 February 2004) to end of concession period
5	Compliance with all applicable laws, regulations & standards. §5.2.	Concessor and FSG	From start of development period (19 October 2003) to end of concession period
6	Concessionaire shall not encumber ICC nor any immovable Project Asset. §5.3.2	FSG	Duration of concession period
7	Obtain Concessor approval to encumber movable assets. §5.3.3.	FSG	If required
8	Obtain Concessor approval to exceed indebtedness limits. §5.4.	FSG	If required
9	Obtain Concessor approval for use of third party assets. §5.5.	FSG	If required
10	Transfer Concession Area, ICC & Project Assets upon Termination free of liens, etc., & in good condition. §5.8.	FSG	At end of concession or upon termination. ICC to be maintained in required condition from 3 years before end of concession period
11	Obtain Concessor approval to enter into Related Party Transactions. §5.9.	FSG	If required
12	Provide for Project Software use & transfer. §5.10.1.	FSG	During the concession period and at end of concession or upon

	Task	Responsibility	Target Date
			termination
13	Making Proprietary Materials available. §§5.10.3, 5.10.4.	FSG	If required and at end of concession or upon termination
14	Indemnify Concessor i.t.o. infringement of 3 rd party rights in Proprietary Materials or Project Software. §§5.10.5, 5.10.6.	FSG	From start of development period (19 October 2003) to end of concession period
15	Obtain approval for use of Concessor Parties' intellectual property. §5.11.	FSG	If required
16	Naming of FSG's business operation. §5.11.6.	Concessor & FSG	If required
17	Grant of Concession Rights. §6.2 & §3.2.1.	Concessor	From Effective date (20 February 2004) to end of concession period
18	Provide assistance to FSG. §7.1.	Concessor	If required
19	Protester Action. §§8.6.2, 8.6.3, 8.6.4.	Concessor & FSG	If required
20	Responsibility for safety & security in Concession Area. §8.8.		From effective date (20 February 2004) to end of concession period
21	Costs recoverable from Contractors & 3 rd parties. §9.8.	FSG	If required
22	Management of Concession Area. §17.	FSG	From effective date (20 February 2004) to end of concession period
23	Payment of Concession Fees. §19.	FSG	No later than 30 days after the end of the concessionaire's financial year
24	Payment Procedures. §27.4.	Concessor & FSG	If required
25	Provisions for Transfer, Dissolution & Disposal of Shares. §§28.1, 28.2, 28.3.	FSG	If required
26	Dispute Resolution. §29	Concessor & FSG	If required
27	Support. §30	Concessor & FSG	If required
28	Confidentiality. §31.2.	Concessor & FSG	From effective date (20 February 2004) to end of concession period
29	Public announcements.	Concessor	If required

	Task	Responsibility	Target Date
	§31.3.		
30	FSG representations & warranties. §32.1.	FSG	Signature date – 19 October 2003
31	Concessor representations & warranties. §32.3.	Concessor	Signature date – 19 October 2003
32	Third party contracts. §35.	FSG	If required
33	Modifications during Concession Period. §36.	FSG	If required
34	Hazard prevention. §37.	Concessor & FSG	From effective date to end of concession
35	Only Standard Bank ATMs permitted. §38.3.	FSG	Concession period
36	Audit on visitor numbers & spend, §3.3.2.4	FSG	No later than 6 months but no earlier than 9 months prior to the end of first concession period
37	Copies of all drawings, clause 9.7.2	FSG	At end of construction phase
38	Identification requirements for access, clause 15	FSG	If required

ENVIRONMENTAL COMPLIANCE

	Task	Responsibility	Target Date
1	Compliance w/COH WHS regulatory provisions, EIA requirements & all valid & enforceable directives or rules issued by Concessor, Wits or any relevant Authority. §14.1.	FSG	From development period (starting 19 October 2003) to end of concession period
2	Compliance w/Sterkfontein-specific legislation. §14.2.	FSG	During development of Orientation Centre
3	Responsible for any material damage to the environment during Concession Period. §§14.3, 14.4.	FSG	If required
4	Duty to appoint environmental control officer. §14.5.	FSG	From start of construction phase (7 June 2004) to end of concession period
5	Duty to control pollution. §14.8.	FSG	From effective date (20 February 2004) to end of concession period
6	Report on schedule 3 compliance – needs agreed process with FSG	FSG	
7	Half-yearly report re environmental compliance. Clauses 14.6 & 24.5	FSG	Half-yearly from the end of the construction phase for the remainder of the concession period
8	Monthly reports re environmental compliance during construction. Clause 14.6	FSG	Monthly for the duration of the construction phase starting 7 June 2004

EMPOWERMENT EMPLOYMENT ISSUES AND SKILLS DEVELOPMENT

	Task	Responsibility	Target Date
1	Comply w/Concessor Empowerment Objectives. §20.1.	FSG	From effective date 20 February 2004 to end of concession period
2	Comply w/regulatory provisions i.t.o. affirmative action and empowerment. §20.1.3.	FSG	From effective date 20 February 2004 to end of concession period
3	Compliance with specific empowerment objectives – Schedule 9. §§20.2, 20.3.	FSG	From effective date 20 February 2004 to end of concession period Concessionaire to provide annual reports on compliance
4	Compliance w/all Labour Laws. §21.1.	FSG	From effective date 20 February 2004 to end of concession period
5	Breach of Labour Laws by employees & penalties. §21.2.	FSG	If required
6	Skills Development i.t.o. Schedule 9. §21.3.	FSG	From effective date 20 February 2004 to end of concession period

THIRD PARTY LIABILITY

	Task	Responsibility	Target Date
1	Concessionaire's Indemnification responsibilities §§22.1, 22.2, 22.3.	FSG	From effective date 20 February 2004 to end of concession period
2	Concessor's Indemnification responsibilities. §22.4.	Concessor	From effective date 20 February 2004 to end of concession period
3	Compliance w/all Labour Laws. §21.1.	FSG	Refer item 4 under previous table
4	Availability of Insurance. §23.3.	FSG	From effective date 20 February 2004 to end of concession period
5	Terms of Insurance. §23.4.	FSG	From effective date 20 February 2004 to end of concession period

FINANCIAL ACCOUNTS AND REPORTS. MANAGEMENT

	Task	Responsibility	Target Date
1	Appointment of Auditors, annual audit reports, record keeping. §24.1.	FSG	Signature date 19 October 2003, audited annually
2	Inspection of financial records. §24.2.	FSG	If required
3	FSG reporting requirements. §24.3.	FSG	If required
4	Half-yearly reports on significant or new matters. §24.4	FSG	From effective date 20 February 2004 to end of concession period
5	Half-yearly environmental compliance reports. §24.5.	FSG	Half-yearly from the end of the construction phase for the remainder of the concession period
6	Periodic Reports & audited financial statements. §24.6. 24.6 – 120 days after financial year end – audited statements 24.6.2.1 – 75 days after financial year end – list of creditors 24.6.2.2 – related party transactions 24.6.2.3 – implementation & progress report etc.	FSG	Annually at the end of the concessionaire's financial year
7	Other mandatory reports. §24.6.2.	FSG	Refer 6 above
8	Delivery of Records. §24.7.	FSG	Period of 120 days after termination of the concession contract
9	Concessionaire Management. §24.8.	FSG	From signature date 19 October 2003 to end of concession period
10	Reporting of changes to corporate documents, organisational structure, Board of Directors, Related Party Transaction, Memorandum of Association. §24.9.	FSG	If required - 35 days prior to event

11	Reporting of "relevant events" i.t.o. extraordinary contracts or liabilities, change in insurance policies and claim brought or threatened likely to have material adverse effect. §24.10.	FSG	If required
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FORCE MAJEURE AND MATERIAL ADVERSE GOVERNMENT ACTION

	Task	Responsibility	Target Date
1	Occurrence of a Force Majeure event. §§25.1, 25.2.	Concessor & FSG	If required
2	Material Adverse Government Action. §§26.1, 26.3, 26.4, 26.5, 26.6.	FSG	If required

TERMINATION

	Task	Responsibility	Target Date
1	Termination by Concessor for FSG fault. §27.1.	Concessor	If required
2	Right to call O&M Bond. §27.1.4.	Concessor	Upon termination by concessor for FSG fault
3	Termination by FSG. §§27.2, 27.2.2.	FSG	If required
4	FSG rights to compensation. §27.2.3.	Concessor	Upon termination by FSG
5	Effect of termination. §27.3.	FSG	Upon termination or expiry of concession contract

9. RELATIONSHIP MANAGEMENT

- 9.1. The responsibility for managing the relationships within the DACEL/Wits Agreement shall be as set forth therein.

- 9.2. The responsibility for the day-to-day management of the Concession Contract for and on behalf of the Concessor shall be the Concessor's Programme Manager.
- 9.3. The Concessor's Programme Manager, in consultation with the FSG counterpart shall, immediately after execution of the Concession Contract, establish the following mechanisms:
- (a) Periodic meeting dates, venues, and standard agenda matters. For the first six (6) months of the Concession Contract, regular meetings will be held between the Concessor's Programme Manager and FSG's authorised representative on a fortnightly basis, and thereafter at such times as is mutually determined; however there shall be at least a monthly meeting.
 - (b) Approval and ratification procedures in terms of all matters in the Concession Contract requiring Concessor approval. Such procedures shall entail processes for the receipt, comment and approval/disapproval of the particular matter within the time periods specified in the Contract, or, where no time periods are specified, within the time periods specified in the procedures.
 - (c) Coordination processes and procedures, including rules for communication.
 - (d) Reporting details, including the name of addressee and the postal and physical address for each report required by the Concession contract or by law.
 - (e) Concession fee payment procedures, including supporting record requirements.
 - (f) Mechanisms for invoking the dispute resolution processes.

9.4. The Concessor's Programme Manager and the FSG counterpart shall, mutually develop the following programmes to be implemented on an annual basis during the term of the Concession Contract, with mutually-agreed upon funding:

(a) A public good/public benefit programme for the enrichment of the residents in the greater Cradle of Humankind World Heritage Site area, including activities such as special events for local:

- i. Schools;
- ii. Religious bodies
- iii. Civic organisations; and
- iv. Community upliftment groups.

(b) A Community Involvement programme lead by the Concessor Parties whereby the greater Cradle of Humankind World Heritage Site Community are informed of the importance of the Cradle of Human Kind World Heritage Site and its place among the various World Heritage Sites throughout the northern and southern hemispheres.

10. AMENDMENT OF CONTRACT MANAGEMENT PLAN

This Contract Management Plan shall be amended from time to time as conditions warrant.

ANNEX A – DACEL/WITS AGREEMENT

ANNEX B – PAYMENT MILESTONES
(to be amended)

24 April 2003

CRADLE OF HUMANKIND
FURNEAUX STEWART GAPP CONSORTIUM
ALL AMOUNTS HEREIN EXCLUDE VAT

**PAYMENT
MILESTONES**

Preparation of Designs & Implementation Mgmt	
Conditions Precedent	3,491,842
Building Plan Submission	5,090,526
Approval of Detailed Design by Dacel (Clause 9.2.6)	13,574,738
Site Establishment	2,941,176
Bulk Earthworks	
Tumulus	1,968,473
Museum Cave	1,154,902
Kiddies Cave	78,480
Amphitheatre	470,000
Sterkfontein-earthworks	3,976,140
Site services	4,899,485
Fencing	1,867,617
Roads & Parking Area	11,617,137
Tumulus	
Structure	
Pile Caps	
Ground Beams	
Sub Structure RFC Columns & Walls	
Waterproofing Sub-Structure	
Surface Bed	3,456,624
RFC Columns (-1)	
RFC Walls (-1)	
Ground Floor Slab	
RFC Columns (GR)	
RFC Walls (GR)	
First Floor Slab	2,645,445
RFC Columns (1st)	
RFC Walls (1st)	
Second Floor Slab	401,101
RFC Columns (2nd)	
Finishes	
<u>Floor: -1</u>	

Superstructure Infill Brickwork	
Plaster & Services 1st Fix	2,789,226
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	899,157
Clean & Snag	
<u>Floor: Ground</u>	
Superstructure Infill Brickwork	
Plaster & Services 1st Fix	6,742,955
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	2,096,631
Clean & Snag	
<u>Floor: 1</u>	
Superstructure Infill Brickwork	
Plaster & Services 1st Fix	3,526,140
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	1,708,236
Clean & Snag	
<u>Floor: 2</u>	
Superstructure Infill Brickwork	
Plaster & Services 1st Fix	3,433,601
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	203,127
Clean & Snag	
<u>Commission Complete Building</u>	1,595,829
Museum Cave	
<u>Zone 1</u>	

Structure	
Sub Structure RFC Columns & Walls	
Surface Bed	433,572
RFC Columns	
RFC Walls	
Roof Slab	1,640,865
Finishes	
Superstructure Infill Brickwork & Sundries	
Plaster & Services 1st Fix	1,564,550
Ceilings	
Services 2nd Fix	
Sundry Finishes	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	1,487,780
Cave Fin Walls & Retaining Walls	
Clean & Snag	

Zone 2

Structure	
Sub Structure RFC Columns & Walls	
Surface Bed	433,572
RFC Columns	
RFC Walls	
Roof Slab	1,640,865
Finishes	
Superstructure Infill Brickwork & Sundries	
Plaster & Services 1st Fix	1,564,550
Ceilings	
Services 2nd Fix	
Sundry Finishes	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	1,487,780
Cave Fin Walls & Retaining Walls	
Clean & Snag	

Zone 3

Structure	
Sub Structure RFC Columns & Walls	
Surface Bed	433,572

RFC Columns	
RFC Walls	
Roof Slab	1,640,865
Finishes	
Superstructure Infill Brickwork & Sundries	
Plaster & Services 1st Fix	1,564,550
Ceilings	
Services 2nd Fix	
Sundry Finishes	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	1,487,780
Cave Fin Walls & Retaining Walls	
Clean & Snag	
<u>Commission Complete Building</u>	307,606
Kiddies Cave	
Structure	
Substructure Foundations	196,343
Surface Bed	
RFC Columns	
RFC Walls	
Roof Slab	
Finishes	
Superstructure Infill Brickwork	
Plaster & Services 1st Fix	523,583
Ceilings	
Services 2nd Fix	
Doors & Joinery	
Specialist Fittings	
Floor Finish	
Paintwork	536,018
Clean & Snag	
Commission Complete Building	25,119
Market	
Paving	
Roof Structure	
Services 1st & 2nd Fix	
Specialist Fittings	
Lock Up Facilities	1,375,588

Install Primary Beacons	2,889,335
Entrance	
Foundations	
Superstructure & Finishes	945,214
Clean & Snag	
Sterkfontein Site Upgrade / Refurbishment	
Foundations	
Superstructure	3,037,629
Services 1st Fix	
Services 2nd Fix	
Finishes	3,091,752
Provision for Upgrading Roads, Carpark Area, etc	
Provision for Services & General Siteworks	2,430,264
TOTAL: CONSTRUCTION	136,795,001

EXHIBITIONS	
Submit storylines - 1st draft	1,325,000
Approval of storylines	2,876,000
WTM-London display travelling exhibit	8,275,000
Submit concept design for Travelling Scientific Exhibition	6,276,000
Submit detailed design for Travelling Scientific Exhibition	5,184,000
Submit working drawings and artwork for interpretation	6,484,000
Start installation for interpretation	5,458,000
Installation for interpretation	3,398,000
Test & Commission	1,929,000

TOTAL: EXHIBITIONS **41,205,000**

TOTAL: EX. VAT **178,000,001**

Clean & Snag	
Commission Complete Building	27,512

Amphitheatre

Foundations	
Superstructure	942,448
1st Fix Services	
2nd Fix Services	
Finishes	842,313
Clean & Snag	
Commission Complete Building	35,695

Learner's Accommodation

Foundations	
Superstructure	1,236,962
Services 1st Fix	
Services 2nd Fix	
Finishes	845,257
Clean & Snag	
Commission Complete Building	41,644

Luxury Tented Accommodation

Foundations	
Superstructure - Brickwork & Plaster	5,827,795
Superstructure - Fabric	1,059,599
Services 1st Fix	
Services 2nd Fix	
Finishes	3,814,557
Clean & Snag	
Commission Complete Building	214,039

Siteworks

Install Services Reticulation	
Water	
Sewer	
Stormwater	
Electrical	2,452,131
Landscaping	4,298,219
Fencing	
Roadworks	3,789,490
Prepare Parking Area	
Refuse Yards / Workshops	
External Lighting	

ANNEX C – FSG ORGANISATIONAL STRUCTURE

ANNEX D – RISK MATRIX TABLE
(incorporate additional clauses if necessary)

CONDITIONS PRECEDENT PHASE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Register Mohale's Gate site in Concessor's name and rezone. §2.1.1				Matter is in control of CONCESSOR, which has cooperation of DM.
Provision of utilities & bulk infrastructure, excluding solid waste removal, but including tarred road to Mohale's Gate site.				FSG, by contract, will provide bulk wastewater treatment facilities to both sites; mitigating factor is FSG cannot undertake operation until facilities built and operating.
Undertake EIA. §§2.1.3, 2.1.4.				Construction cannot commence until accomplished.

CONSTRUCTION PHASE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Obtain EIA & all other permits & approvals. §§3.1.3, 3.1.4.				Construction cannot commence until accomplished.
Procurement payment by Blue IQ in accordance w/milestones. §6.3.				Payment only due upon certification of retained expert, in accordance with construction milestones.
Use of Blue IQ Deferred Share proceeds. §6.4.				Construction bond.
Deliver access & undisturbed possession of both sites. §§7.3, 8.1.				Matter is in control of CONCESSOR/Wits.
Clearance of Concession Area. §8.2				Construction bond.
Discovery of hazardous materials. §8.2.3.				Wits has control over Sterkfontein site; CONCESSOR may have a claim against grantor of Mohale's Gate site.
Delay in construction caused by "finds". §§8.5.4, 8.5.6.				Concession contract process for providing relief in such instances.
Physical Conditions. §8.6.1.				FSG bears all risks in this regard.
Obtain Preliminary Design Approval. §§9.1, 9.2.1				Concession contract processes for approving Preliminary Design.

Obtain Detailed Design Approval. §9.2.6.			Concession contract processes for approving Detailed Design.
W/ Detailed Design Approval, construct ICC. §§9.2.9, 10.			Construction bond.
Provision of Construction Works Information. §9.7.			Construction bond.
Works free from defects. §9.8.2			Construction bond.
FSG restricted activities in Protected Sites. §9.9.			Could be a Material Breach.
Complete construction in 448 days. §11.			Construction bond.
Remediate any construction defects. §13.6.			Construction bond.
Insurance during construction. §23.1.			Insurance requirement of Concession Contract.

EXHIBITION INSTALLATION PHASE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Obtain approval for proposed exhibition. §12.3.				Concession Contract has processes, including dispute resolution.
Design, construct temporary & permanent exhibitions i.t.o. Technical Requirements. §§12.1, 12.2, Schedule 14.				Construction Bond.
Use of fossils. §12.8.				Concession Contract has processes providing for use of fossils.
Exhibition Refreshment. §12.9.				Concession Contract has processes providing for regular refreshment.
Remediate any non-compliant exhibition construction. §13.6.				Construction bond.
Insurance during Exhibition installation & operation. §§23.1, 23.2.				Insurance requirements of Concession contract.

OPERATIONS PHASE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Operate & maintain the ICC i.t.o. the Concession contract.				Operations and Maintenance Bond.

§16.1			
Insurance during operations. §23.2.			Insurance requirements of Concession contract.

AT ANY TIME – ENVIRONMENTAL COMPLIANCE

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Compliance with COH WHS regulatory provisions, EIA requirements & all valid & enforceable directives or rules issued by Concessor, Wits or any Relevant Authority. §14.1.				The legal and regulatory authority possessed by CONCESSOR and/or the Province of Gauteng; the Construction bond and the O&M bond.
Compliance with Sterkfontein-specific legislation. §14.2.				Enforcement of the cited legislation; the Construction bond and the O&M bond.
Material damage to env. During Concession Period. §§14.3, 14.4.				Concessor's enforcement authority; Construction bond & the O&M bond.

AT ANY TIME – GENERAL OBLIGATIONS

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Approval for any new business to operate within the ICC. §1, definition of "Concession Rights."				Concessor can condition approval of any new business as it deems fit, consistent w/ general tenor of the Concession Contract.
Approval for branding proposal. §[].				Concessor can condition approval of branding proposal as it deems fit, consistent with the general tenor of the Concession Contract.
Compliance w/Technical Requirements & Best Industry Practice. §5.1.				Construction and O&M Bond.
Compliance w/laws, regulations & standards. §5.2.				CONCESSOR is a regulatory authority in its own right.
Approval to encumber assets. §5.3.2.				Concessor can condition approval of encumbering based upon standards defined in the Concession contract.
Approval to exceed indebtedness limits. §5.4.				Requires written approval from Concessor.
Approval for use of				Requires written approval from

third party assets. §5.5.			Concessor/Wits, as appropriate.
Transfer of Concession Area, ICC & Project Assets upon Termination free of liens, etc., & in good condition. §5.8.			Concession Contract spells out inspection & certification processes in this regard; O&M bond.
Approval to enter into Related Party Transactions. §5.9.			Requires written approval from Concessor.
Project Software use & transfer. §5.10.1.			Requires grant of license upon termination or prior written approval where license not granted.
Availability of Proprietary Materials. §§5.10.3, 5.10.4.			Requires making Proprietary Materials available, if owned by Concessionaire, & if not owned, either a license, or written approval where license not granted.
Infringement of third party rights in Proprietary Materials or Project Software. §§5.10.5, 5.10.6.			FSG indemnifies Concessor for any claims by third parties for infringement of rights in Proprietary Materials or Project Software by Concessor or FSG during Concession Period.
Approval for use of Concessor Parties Intellectual Property. §5.11.			FSG must obtain written approval from Concessor or any Concessor party for use of its Intellectual Property.
Naming of FSG's business operation. §5.11.6.			Must have Concessor's approval.
Grant of Concession Rights. §6.2.			Within the control of the Concessor.
Protester Action. §§8.6.2, 8.6.3, 8.6.4.			Parties to take reasonable steps to mitigate; FSG solely responsible for protester action arising from its breach, default or negligence.
Responsibility for safety & security at Concession Area. §8.8.			Construction bond; O&M bond.
Costs recoverable from Contractors and Third Parties. §9.8.			Construction bond; O&M bond.
Management of Concession Area. §17.			Construction bond; O&M bond.
Payment of Concession Fees. §19.			Construction bond; O&M bond.
Payment Procedure. §27.4.			Each Party entitled to receive interest where payment not timeously made.
Transfer, Dissolution &			Construction bond; O&M bond.

Disposal of Shares. §§28.1, 28.2, 28.3.				
Release of Confidential Information. §31.2.6.				Cross-indemnifications.
Representations & Warranties by FSG. §32.1.				Could be a material breach.
Representations & Warranties by Concessor. §32.3.				Could be a material breach.
Hazard Prevention. §37.				Mutual obligation.
Only Standard Bank ATM @ ICC. §38.3.				Could be a material breach.

ANY TIME – EMPOWERMENT EMPLOYMENT ISSUES AND SKILLS DEVELOPMENT

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Comply w/Concessor Empowerment Objectives. §20.1.				Compliance w/Schedule 9 should ensure.
Compliance w/specific Empowerment Obligations. §20.2				Penalty Clause in Schedule 9.
Compliance w/Labour Laws. §21.1.				Construction bond; O&M bond.
Breach caused by Employees & Penalties. §21.2.				Disciplinary Code penalties; damages; Construction bond; O&M bond.
Skills Development. §21.3.				Subject to Schedule 9 penalties.

ANY TIME – THIRD PARTY LIABILITY

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Concessionaire Indemnification. §§22.1, 22.2..				Insurance; Construction bond; O&M bond.
Concessor Indemnification. §22.4				None.
Availability of Insurance. §23.3.				Independent insurance expert.

ANY TIME – FINANCIAL ACCOUNTS AND REPORTS, MANAGEMENT

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Appointment of Auditors, annual audit.				Construction bond; O&M bond.

record keeping. §24.1.				
Inspection of financial records. §24.2.				Construction bond; O&M bond.
FSG reporting requirements. §24.3				Construction bond; O&M bond.
FSG half-yearly reports on significant or new matters. §24.4.				Construction bond; O&M bond.
FSG half-yearly environmental compliance reports. §24.5.				Construction bond; O&M bond.
Periodic Reports. §24.6.				Construction bond; O&M bond.
Delivery of Records. §24.7.				Construction bond; O&M bond.
Concessionaire Management. §24.8.				Construction bond; O&M bond.
Reporting of Changes. §§24.9, 24.10.				Construction bond; O&M bond.

ANY TIME – FORCE MAJEURE AND MATERIAL ADVERSE GOVERNMENT ACTION

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Occurrence of a Force Majeure event. §§25.1, 25.2.				Mutual obligations and responsibilities; insurance.
Material Adverse Government Action. §§26.1, 26.3, 26.4, 26.5, 26.6.				Extension of Concession Period.

ANY TIME – TERMINATION

RISK	CONCESSOR	FSG	BOTH	MITIGATION
Termination by Concessor for Concessionaire Fault. §27.1.				Construction bond; O&M bond.
Termination by Concessionaire. §27.2.				Formula for calculating damages and amounts payable set forth in the Concession contract.
Effect of Termination. §27.3.				Rights of Concessor set forth in the Concession contract; Construction bond; O&M bond.

ITEM	RESOLUTION	RESPONSIBLE PERSON	TIMEFRAME	STATUS
Plan For The Strategic Repositioning Of Maropeng	That the Plan for the Strategic Repositioning of Maropeng be approved.	Dawn Robertson	Approved	Approved
	That the Department should proceed with the international call for expression of interest			