

SERVICE LEVEL AGREEMENT

Between

MATJHABENG LOCAL MUNICIPALITY

And

KOREAN SOLAR POWER CONSORTIUM SOUTH AFRICA LTD

With respect to

**SMART CITY UNDER
THE THEME OF AFRO-ASIA INDUSTRIAL COMPLEX**

THIS SERVICE LEVEL AGREEMENT ("SLA") is made on the _____ day of _____ 2018

Between

The **Matjhabeng Local Municipality** (hereinafter referred to as "**MATJHABENG**") is an administrative area in the Lejweleputswa District of the Free State in South Africa, that includes the city of Welkom. The name is a Sesotho word meaning "where nations meet". It is derived from the migrant labour system where people from various countries like Lesotho, Mozambique, etc. meet to work in the mines of the Goldfields. Its office is; P.O. Box 708, Welkom, Free State Province, South Africa

And

Korean Solar Power Consortium South Africa Ltd. (hereinafter referred to as "**KSPC**") is a South Africa based Public company with its registration No. of 2011/005118/06. Its address is: Office 3, Ground Floor, West Riding Row Office Building, 50 West Riding Row Street, Sherwood, Durban 4091, KwaZulu Natal Province, South Africa

(Each a "**Party**" and together the "**Parties**").

PREAMBLE

WHEREAS MATJHABENG's Vision is to be a benchmark developmental Municipality in service delivery excellence and to make it most viable Smart City with best Investment Environment & Return Provider in a whole Africa. Its Missions are: To promote a self-reliant community through the promotion of a culture of Young entrepreneurship- Innovation Hub/Techno Park; and To promote a dynamic community participation and value adding partnership- through Afro-Asia Industrial Complex in partnership with Asian Investors. The main objective of these projects is to develop its capabilities in the areas of science, technology and innovation and to promote the knowledge-based economy, drive socio-economic development and increase competitiveness through which it can create jobs especially for Youth, Women and Historically Disadvantaged Individuals. It also aims to Incubate the potential venture companies owned/managed by Young industrialists/entrepreneurs; and

WHEREAS KSPC is a vertically fully integrated green energy, property and information technology development company located in Durban, South Africa. KSPC's core businesses include but not limited to: design, construction, operation and maintenance of power plant, and develop infrastructure and Information and Communication Technology. KSPC intends to establish a long-term partnership with MATJHABENG to promote and develop through the model of Public Private Partnership and Technology Training/Education Programs that include construction of Social Mix Township, Innovation/Techno-Park under the theme of Afro-Asia

Industrial Complex, Theme property development as well as development of high-tech, automotive, green energy, environment, and agro-business as well as the manufacturing plant in the region.

NOW, THEREFORE, IT is the intention of the parties as follows:

1. SCOPE of AGREEMENT

This **Agreement** is made between MATJHABENG and KSPC. The Concept and Business Plan of the projects is attached with this Letter of Agreement, which is deemed to form part of this Agreement.

2. PURPOSE

2.1 Purpose

The Services are to be provided for the purpose of meeting the Objectives as outlined in the preamble hereto. The objectives are to be met with the South African Government policy for creating jobs and incubating Young African Industrialists/entrepreneurs in the areas of science, technology and innovation in line with the BBBEE Policy and legislation of the Municipality. The rights and obligations of the parties under or in relation to this Agreement is to be interpreted to give effect to these Objectives.

2.2 Services

2.2.1 Core Services

KSPC is appointed on an exclusive basis as the company to carry out a Turn-key project of construction for the said projects which includes but not limited to: the design, planning and construction of Social Mix Township Development, Innovation Hub/Techno Park, and Theme Property Development, inviting companies as tenants, setting up and supplying of equipment to the manufacturing companies, manpower training, incubating and financing venture companies under and in accordance with this Agreement.

2.2.2 Other Services

KSPC is:

- (a) To train local residents especially African youth into skilled manpower in the relevant industrial sectors;
- (b) To construct the manufacturing plants for "On-the-Job" Training;
- (c) Introduce Continuous and Comprehensive Training/Education programs in the industrial sectors above mentioned through, inter alia, Capacity Building Centre for Youth;
- (d) Incubate self-employed venture/start-up companies and assist the financing and marketing of these companies to grow.

2.2.3 Service Delivery

KSPC must deliver the Services in accordance with the terms of this Agreement with due care, skill and diligence and by the use of techniques, methodologies, processes and materials that accord with Good Industry Practice, to the extent that Good Industry Practice requires more stringent or additional standards than those imposed on KSPC under this Agreement.

3. PARTICIPANTS

3.1 MATJHABENG LOCAL MUNICIPALITY

MATJHABENG LOCAL MUNICIPALITY is a party to this Agreement and is a local municipality for whose benefit the objectives are to be met.

3.2 KOREAN SOLAR POWER CONSORTIUM

KOREAN SOLAR POWER CONSORTIUM is a party to this Agreement, registered in South Africa for the purpose of undertaking the objectives of this Agreement.

3.3 MATJHABENG's Representative

MATJHABENG's Representative is the person/s appointed by MATJHABENG to act as its representative, as between MATJHABENG and KSPC, on the terms and conditions set out in this Agreement. MATJHABENG will ensure that it always has a person representing it as MATJHABENG's Representative as long as any obligations under this Agreement remain to be performed by MATJHABENG.

3.4 KSPC's Representative

KSPC's Representative is the person/s appointed by KSPC to act as its representative, as between KSPC and MATJHABENG, on the terms and conditions set out in this Agreement. KSPC will ensure that it always has a person representing it as KSPC's Representative as long as any obligations under this Agreement remain to be performed by the KSPC.

4. MATJHABENG and KSPC RELATIONSHIP

4.1 No Agency

The relationship of KSPC to MATJHABENG is that of an independent KSPC to MATJHABENG. Nothing in any Project Document will constitute KSPC as agent, trustee, employee or officer of MATJHABENG.

4.2 No Authority

KSPC acknowledges that it does not have the authority to enter into contracts or incur debts on behalf of MATJHABENG. Neither party will make any contrary representation to any other person.

4.3 Governance

Upon signing the Agreement, the parties are to establish a Project Implementation Team (PIT). The PIT is to be a high level forum that will (among other things) review, discuss and manage the overall relationship between the parties.

5. OBLIGATIONS

5.1 MATJHABENG's OBLIGATIONS

5.1.1 MATJHABENG provides the land and related infrastructure where the projects are implemented;

5.1.2. MATJHABENG provides the resourceful projects to KSPC as part of contribution of KSPC-led private investment initiative;

5.1.3 MATJHABENG shall perform any and all of the aforementioned obligation related thereto in full compliance with the applicable Laws and regulations.

5.2 KSPC's OBLIGATION

5.2.1 KSPC provides all required financing for the completion of the Projects as well as knowledge, technology and experience for the projects implementation;

5.2.2 KSPC carries out the actual construction, management and operation of the projects in collaboration with MATJHABENG by training/hiring local residents;

5.2.3. KSPC shall perform any and all of the aforementioned Services and any other obligation related thereto in full compliance with the applicable Laws and regulations.

5.3 MUTUAL OBLIGATIONS

Each party agrees to:

5.3.1 Promote the activities of the projects through which MATJHABENG and its communities generate its own revenues;

5.3.2 Take reasonable care not to do anything, or omit to do anything, that would cause the other party to be in breach of applicable Laws;

5.3.3 Consult with the other party as soon as practicable as to any event that may materially affect the performance of its obligations under this Agreement.

6. ENTIRE AGREEMENT

6.1 This Agreement constitutes the whole Agreement between parties and no warranties or representations, whether express or implied, not stated herein shall be binding on the parties.

6.2 No Agreement at variance with the terms and conditions of this Agreement shall be binding on the parties unless reduced to a written Agreement signed by the grantor and the grantee.

6.3 No relaxation or indulgence, which that grantor may show to the grantee shall in any way prejudice its rights hereunder.

7. NOTICES

7.1 Procedure for Giving Notice. All notices or other communications (together "notices") to be given or made hereunder shall be in writing, shall be addressed for the attention of the person indicated below and shall either be delivered personally by email or sent by prepaid post (with receipt acknowledgment required).

7.2 Addresses for Notices.

a. **For MATJHABENG:**

Attention:

Address:

Tel No.:

E-mail:

b. **For KSPC:**

Attention: Mr. Chang-Hwan(Charles) Kim

Address: Office 3, Ground Floor, West Riding Row Office

Building, 50 West Riding Row Street,

Sherwood, Durban 4091

Tel No.: 064 087 1532

E-mail: chkim316@gmail.com

A party may modify its address information by notice provided as prescribed in this Paragraph. The information shown above shall be deemed correct unless and until modified as provided herein.

8. DURATION OF AGREEMENT

The parties hereto agree that this Agreement shall come into force once both parties sign it. It will be effective until the entire Projects are completed.

9. GOVERNING LAW

The validity, construction, scope and performance of this Agreement shall be governed by and construed in accordance with the Laws of the Republic of South Africa.

IN WITNESS WHEREOF the parties have hereunto set their hands the day and year written.

Signed at _____ on _____ day of _____ 2018

By:

Matjhabeng Local Municipality
was hereunto affixed in

Witness

Authorised Person:
Name:

.

By:

Korean Solar Power Consortium SA Ltd
was hereunto affixed in

Witness

Authorised Person: CEO

Name: **Chang-Hwan KIM**
