**AGREEMENT OF CONTRACT LABOUR SUPPLY**

MADE AND ENTERED INTO BETWEEN

**For and on behalf of**

**……………………………………….**

Registration Number : ………………………………………

(Herein after referred to as “The Client”)

and

**Mufasa Outsourcing C.C.**

Registration Number : 2005/123224/23

A Close Corporation duly incorporated in accordance with the laws of the Republic of South Africa, of 23 – 25 Spanner Road, Clayville, 1665, herein represented by Mr. Rochè Smit in his capacity as the main shareholder of the company and being duly authorized thereto.

(Herein referred to as “Mufasa”)

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WHEREAS the above mentioned parties wish to conclude an agreement regarding the rendering of contract labour by Mufasa Outsourcing C.C. contract workers (Contractors).

**NOW THEREFOR THE PARTIES AGREE AS FOLLOWS:**

1. **REVOCATION OF PREVIOUS AGREEMENT**

This agreement revokes and replaces any and all previous agreements of contract labour entered into between Mufasa and the client and it is specifically recorded that the parties shall have no claims against each other based on such previous agreements.

1. **EMPLOYMENT OF MUFASA CONTRACT LABOUR**

Mufasa agrees to employ and supply contractors to the Client for as the Client shall deem this necessary from time to time.

1. **DURATION**
   1. Notwithstanding the date of signature of this agreement by the parties, this agreement shall be deem to have commenced on ……………….. and shall terminate on …………….. The Client shall however, be entitled to terminate this agreement earlier subject to the provisions of Clause 7 below and Mufasa agrees that it shall not be entitled to any claim for damages whatsoever should such earlier termination by the Client occur.
   2. This Agreement may be renewed by the parties on its termination (on its expiry date) subject to terms and conditions as the parties may agree.
2. **TERMS AND CONDITIONS**
   1. **EMPLOYMENT OF MUFASA CONTRACT LABOUR**
   2. Mufasa agrees to employ any or all contractors presently utilized by the Client and supply such contractors to the Client for as long as the need exists should the Client deem this necessary.

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1. **SUPPLY OF CONTRACT LABOUR**

5.1. Mufasa undertakes to supply any contractors required by the client within 1 hour of such order or at the earliest possible convenience should the specific requirement be of a more specialized nature.

5.2. Any contract worker registered with Mufasa supplied to the Client will be deemed to have all the necessary attributes, qualification and skill required by the client.

5.3. All labour contracted out to the Client will have undergone a strict medical examination and will have been declared fit to work in an industrial environment, prior to starting work on the client’s premises.

5.4. All contract labour will report to the client dressed in overall, safety boots, goggles and safety gloves under specific conditions if so required by the client.

5.5. Contract labour requested on an ad hoc basis will be supplied to the client within 1 hour of an official request submitted by an authorized employee of the Client.

5.6. Any contract labourer who does not comply with the standards of the client will immediately be replaced at no extra cost to the Client.

5.7. No contract labour will be allowed to report for duty under the influence of drugs, liquor or any intoxicating substance.

5.8. No employee of Mufasa who has been blacklisted by the client will be allowed to enter or perform any duty on the premises of the client.

1. **PERMANENT EMPLOYMENT**

6.1. The Client has the right to permanently employ any of Mufasa’s contract labourers under the following conditions.

6.1.1. Two week’s written notice of intention to employ such contract labour must be given by the Client.

6.1.2. A 10.5% of the contract labourer annual wages will be charged to the Client on condition that such worker has been in the employ of Mufasa and supplied to the Client, under contract, for no less than six months.

6.1.3. Should these conditions not be met, a service fee of 15% of the contract labourer’s annual wage will be charged to the Client at employment of such contract labourer.

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1. **SUPERVISION**

7.1. Although employed by Mufasa the Client has the right to oversee the actions of the contract labourers working at such Client and the contract labourer will carry out any legal instruction given to them by such supervisors.

7.2. The Client will provide a safe working environment for the contract labourers and will supply operational procedures to such contract labourers where this is deemed necessary.

7.3. Both Mufasa and the Client will ensure that their actions toward the contract labourers fall within the boundaries of fair labour practice.

1. **TERMINATION OF CONTRACT**

8.1. Where a specific duration of the utilization of a contract labourer is not specified the Client will give two week’s notice in writing to Mufasa should they wish to terminate the services of any individual contract labourer or group of contract labourers.

8.2. One month written notice must be given by either the Client or Mufasa should any of the two parties wish to terminate the total contract with each other.

1. **REMUNERATION**

9.1. The Client will fax, on a weekly basis any overtime, absenteeism, production bonus or alternative information to Mufasa for processing and accounting.

9.2. Mufasa will submit an account, which will be attached to a copy of such timesheets to the responsible department for perusal and payment.

9.3. Payment for services rendered must be made to Mufasa within 30 (Thirty) working days after completion of services and the presentation of the related Statement, unless alternative agreements have been made in advance.

9.4. Interest of 7.5% per month will be charged on any account in arrears.

9.5. The rates of pay to be received by each contract labourer will be agreed to between the Client and Mufasa.

9.6. The Client may, if so wishes, make provision for alternative benefits for the contract labourers on condition that these benefits are channelled to the contract labourers through their employer Mufasa.

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1. **COST PER HOUR PER CONTRACT LABOURER / UNIT COST**

10.1. In response to the client’s written request, which should include a job description, for one or more contract labourers, Mufasa will confirm in writing (by fax or otherwise) the particulars of the agreement between Mufasa and the Client for the duration of the particular contract.

10.2. Where a contract labourer is to be registered with a specific bargaining council, the Client will advise Mufasa accordingly and any alterations to the legal financial benefits related to such contract labourer will also be related by the Client to Mufasa.

10.3. The rates for the contract labourers will be determined by the Client and Mufasa according to the classification / grade of work done.

1. **INCREASES**

11.1. Mufasa will negotiate any increases with the Client on an annual basis. The date suggested is that which would fall in line with the date of the Client’s annual increase for permanent employees.

11.2. Increases related to contract labour registered at a council will be determined by such council and such information will be forwarded to Mufasa by the Client.

11.3. Where a contract labourer is placed in a higher grade by the client as quoted for by Mufasa the Client will advise Mufasa as such to enable a wage adjustment to be made timeously.

1. **GENERAL**

12.1. Injury on Duty:

12.1.1. Mufasa is registered with WORKMEN’S COMPENSATION and will ensure continued income to a WCC registration number of Mufasa.

12.1.2. Mufasa will carry out all follow up correspondence with WCC in this regard.

12.1.3. Any additional requirements not mentioned in this regard will be implemented on mutual agreement between the Client and Mufasa.

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1. **INDEMNIFICATION AGAINST LIABILITY**

13.1. It is the responsibility of Mufasa to be knowledgeable about the legislation collective agreements, and arbitrations affecting its employees and assumes that when a fee is determined for a contract labourer, and when Mufasa pays such a contractor, Mufasa will abide by these determinations.

13.2. In the event of a fine being imposed on, the Client, with regard to any Mufasa contract labourer placed with the Client, Mufasa indemnifies the Client and undertakes to make good any losses that the client might have suffered due to Mufasa, in respect of any of it’s employees, contravening (knowingly or unknowingly).

a) any concluded collective agreement regulating terms and conditions of employment.

b) a binding arbitration award regulating terms and conditions of employment.

c) the Basic Conditions of Employment Act. 3 of 1983, as amended: and/or a determination made in terms of the Wage Act.

13.3. In turn the Client undertakes to ensure that no contravention of the Occupational Health and Safety Act . No 85 of 1993 or unfair labour practice occurs. The Client will take full responsibility should such an incident be found to have occurred on the Client’s premises or at the hand of the Client or one of its employees.

13.4. In addition the Client will ensure that Mufasa is informed by the Client of any changes in rates of pay or benefits that directly influence the legality of this contract with reference to contract labourers working on the premises of the Client.

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SIGNED AT MIDRAND THIS \_\_\_\_\_\_\_\_ DAY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

WITNESSES :

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For the Client (duly authorized).

SIGNED AT MIDRAND THIS \_\_\_\_\_\_\_\_\_\_ DAY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

WITNESSES :

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For Mufasa Outsourcing C.C. (duly authorized).