

SERVICE LEVEL AGREEMENT

entered into by and between

Utilities World (Pty) Ltd
Co Reg. No: 2013/061988/07

A Prepaid Solutions Provider Company Located in Durban South Africa

(herein referred to as the "Service Provider")

and

Dr Beyers Naude Local Municipality

(herein referred to as the "Client")

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Utilities World Service Level Agreement

WHEREAS the Service Provider wishes to provide to the Client certain services described in this Agreement and the Client wishes the Service Provider to provide such services / work:

THE PARTIES THEREFORE NOW AGREE AS FOLLOWS:

1. DESCRIPTION OF WORK

The Service Provider shall provide Prepaid Vending Services to the Client consumers as specified in tender document 'Tender 24/2108' issued by the Dr Beyers Naude Local.

2. SCOPE OF WORK

2.1. The Service provider shall:

- 2.1.1 Provide the use of systems and software for the sales of prepaid utilities
- 2.1.4 House the primary Prepayment Processing Services, including all databases and respective hardware in a secure, air-conditioned, temperature regulated computer room with fire detection and fire-fighting equipment
- 2.1.5 Take whatever corrective actions are in its discretion necessary to ensure optimal availability of the service and rapid problem resolution;
- 2.1.6 Ensure processing infrastructure uptime of 99.5% in core operating hours and 95% in non-core operating hours.
- 2.1.7 Downtime for routine maintenance/upgrades shall be scheduled in non-core hours with a maximum of 12 hours per month.
- 2.1.8 Notify the Client not less than 48 hours prior to planned downtime of the Service Providers systems.
- 2.1.9 Perform periodic benchmarking of the Service Providers Systems to ensure that processing capacity and performance levels are constantly met.
- 2.1.10 Make available a monthly sales reports of all Transactions conducted on the system within 3 days from the last day of the month.
- 2.1.11 Pay over all monies to the Client immediately that they become due.

2.2 The Client shall:

- 2.2.1 Report to the Service Provider immediately it becomes aware of any issues that might need resolving by the Service Provider.
- 2.2.2 Take all reasonable precautions to ensure that all user names and password to the system provided to the Client and their respective employees are kept secret and to immediately notify the service provider should they believe these may have been compromised.
- 2.2.3 Provide Internet connections at the client's cost to all computers used by the client to access the Service Provider's systems



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3. ALTERATIONS / ADDITIONS TO WORK

- 3.1 Neither party may affect any change of whatever nature to the Scope of Work outlined in Clause 2 and outlined in the proposal without the prior written approval of the other party.
- 3.2 Should the scope and parameters of work change materially after the signing of this Agreement, the parties shall draw up and sign a new Agreement which new Agreement shall cancel and revoke the terms and provisions of this Agreement.

4. CONTRACT PRICE AND PAYMENT SCHEDULE

- 4.1 The fee, inclusive of all charges for the work to be done, shall be as described in Appendix 2 attached.
- 4.2 All prices are exclusive of VAT (if VAT is applicable).
- 4.3 The charges will not be altered by either party without the consent of the other party in writing.
- 4.4 Monies collected by the Service Provider on behalf of the Client will be paid to the Client less charges and commissions:
 - 4.4.1. on or before every Thursday of every week for the period Saturday (or the first day of the month) to Friday inclusive of the previous week;
 - 4.4.2. on or before the fourth working day of the new month for the days remaining in the previous month since the last payment.
- 4.5. Payment will be made to the Client's Bank Account as detailed in Appendix 1 attached.
 - 4.5.1. These details may only be changed by the submission of an official letter requesting this from the Client submitted to the Service Provider.
- 4.6. The client's nominated representative shall receive via e-mail or fax proof of payment from the Service Provider's bank immediately that funds have been transferred to the Client.
- 4.7. Late payment of monies from the Service Provider to the Client will incur a penalty calculated at the rate of the published prime interest rate compounded daily for the period overdue.
- 4.8 Payment will be made by the Client on the 15th day of each month against an invoice from the Service Provider for other fees and charges that may be agreed from time to time.

5. CONTACT PERSONS

- 5.1 For this Agreement, the contact person for the Service Provider is Brian Hill.
- 5.2 For this Agreement, the contact person for the Client is Heleen Kok.
- 5.3 The persons referred to in Clauses 5.1 and 5.2 shall be regarded as the contact persons for all matters concerning the work and any substitution of either person by either party shall be affected by way of written notice to the other party.



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6. GOOD FAITH

The parties shall act with the utmost good faith between each other in all matters concerning this Agreement and the parties shall use their best endeavours to ensure that the objectives of this Agreement are met and realised.

7. DUTIES OF Service Provider

The Service Provider shall

7.1 Ensure that all work to be done in terms of this Agreement shall be performed by or supervised by competent and qualified personnel.

7.2 Ensure that there are third party vending outlets in strategic locations as agreed with the Client.

7.3 Ensure that payments of monies due in terms of this Agreement are made in accordance with the provisions of Clause 4 hereof.

8. DUTIES OF CLIENT

The Client shall ensure that:

8.1 All assistance shall timeously be given to the Service Provider to ensure that the terms and objectives of this Agreement are met.

8.2 Payments of monies due in terms of this Agreement are made in accordance with the provisions of Clause 4 hereof.

9. INDEMNIFICATION

Notwithstanding any provisions in this Agreement and whilst the Service Provider warrants that it shall use its best endeavors to ensure that the work is of the highest standard. All goods provided will be supplied with a 12-month Warrantee or the same as provided by the manufacturer of such goods. Accordingly, the Client hereby agrees to waive all claims for any harm or loss, including consequential losses, which it may substantially have against the Service Provider, its employees, agents, mandatories and other persons connected in some way to such work, such claims having arisen from any cause whatsoever.

10. INTELLECTUAL PROPERTY

All copyright, title and interest in any document produced or process designed or devised by the Service provider in the course of this Agreement shall remain vested in the Service Provider unless otherwise agreed to in writing.



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11. VARIATIONS / AMENDMENTS

No variation or amendment of the terms and provisions of this Agreement shall have any force or effect unless same are reduced to writing and such amending document is signed by the parties.

12. BREACH

Should either party be in breach of any provision of this Agreement the aggrieved party shall by written notice give the offending party 14 working days in which to remedy the cause for complaint failing which the aggrieved party shall have the right to:

12.1 Grant the offending party further time to remedy the cause for complaint;

12.2 Apply to the Court for an order demanding specific performance with or without damages;

12.3 Cancel this Agreement and sue for damages as set out in terms of sub-clause 13.3 hereof.

13. LATITUDE

Any latitude or extension of time granted by one party to the other in respect of any provision in this Agreement shall not be deemed to be a waiver of any right that the aggrieved party may have in terms of Clause 11.

14. ARBITRATION AND JURISDICTION

Should there be a dispute in regard to the interpretation of the terms of this Agreement or the standards to be achieved in respect of the project as a whole or in relation to a part thereof, the parties shall agree on the selection of an Arbitrator who shall have the appropriate qualifications to tend to such dispute and:

14.1 Both parties shall draw up their contentions in respect of the dispute and shall forward same to the Arbitrator within 7 days of the Arbitrator's selection by the parties.

14.2 The Arbitrator may call upon the representatives of the parties either singly or together to elicit further information to assist the Arbitrator in making his / her decision.

14.3 The Arbitrator's decision shall be final.

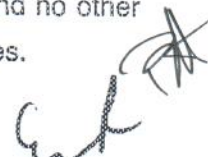
14.4 Such arbitration proceedings shall not be subject to the Arbitrations Act 1965.

14.5 The party least favoured by the Arbitrator's decision shall be liable for the entire costs of the arbitration proceedings.

14.6 Should the parties be unable to agree on the selection of the sole Arbitrator to attend to the dispute, the matter shall be referred to the attorneys Joubert, Galpin and Searle Inc. which attorneys shall select an Arbitrator of their choice to arbitrate and the attorneys' decision in this regard shall be final.

15. ENTIRE AGREEMENT

This Agreement, including its Annexures, shall constitute the entire Agreement and no other conditions, warranties, stipulations or representations shall be binding on the parties.



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16. SIGNATORIES

The signatories to this Agreement warrant that they are duly authorised to bind their respective employers, the Service Provider and the Client.

17. DURATION

This agreement will commence on 1 July 2018 and will thereafter continue for thirty six months or until terminated by either party giving to the other party 1 calendar month's written notice to that effect.

18. DOMICILIA

The parties choose as their respective *domicilium citandi et executandi* for purposes of this Agreement as set out hereunder:

The Service Provider:

Suite 701 Strauss Daly Place
41 Richefond Circle
Ridgeside Office Park
Umhlanga Ridge 4320

Client:

12 Church Square
Graaff-Reinet
6280

Accepted for and on behalf of

Utilities World

and duly authorised

Signature:



Name:

Brian Norman Hill

Designation:

Director

Date:

18 OCTOBER 2018

Place:

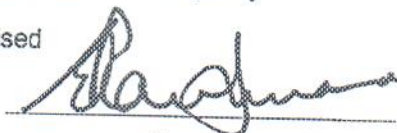
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Accepted for and on behalf of

Dr Beyers Naude Local Municipality

and duly authorised

Signature:



Name:

DR E.M. RANCWANA

Designation:

Municipal Manager

Date:

1 October 2018

Place:

GRAAFF-REINET



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Appendix 1 – Banking Details

The Client banking details for revenue collection deposits to be made to by the Service Provider are:

Bank: FIRST NATIONAL BANK (FNB)

Branch: GRAAFF-REINET BRANCH.

ACC NO: 523 0000 7898

Branch Code: 210 216

Account Holder: DR BEYERS NAUDE LOCAL MUNICIPALITY.

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Appendix 2 – Schedule of Charges

Item	Description	Charge Type	Charge
1.1	System set-up and training	Once-off	R0.00
1.2	Implementation: Interface with Financial System	Once-off	R0.00
2.1	License/Usage Fee (unlimited users)	Monthly	R0.00
2.2	Back-up Vending Disaster Management, including reports	Monthly	R0.00
3.1.1	Transaction Fee (% of sales value)	Monthly	2.851%
3.1.2	Free basic electricity (per transaction)	Monthly	R0.00

NB: All charges are ex VAT

