

**MASTER LEASE, MAINTENANCE AND SUPPORT  
AGREEMENT**

**IN RESPECT OF**

**HARDWARE**

**Between**

**THE SOUTH AFRICAN REVENUE SERVICE**

**("SARS")**

**And**

**"SERVICE PROVIDER"**

**The terms and conditions of this Agreement are not final, and SARS reserves the right to change and or amend this Agreement at any time prior to execution thereof.**

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## 1. PARTIES

1.1. The Parties to this Agreement are:

1.1.1. **The South African Revenue Service**, an organ of state within the public administration but outside the public service established in terms of Section 2 of the South African Revenue Service Act, 1997 (Act No. 34 of 1997), with its principal place of business situated at 299 Bronkhorst Street, Nieuw Muckleneuk, Pretoria (“**SARS**”); and

1.1.2. \_\_\_\_\_, Registration Number: \_\_\_\_\_ a private company registered in terms of the Companies Act, 2009 (Act No. 71 of 2008) with its principal place of business situated at \_\_\_\_\_ (the **Service Provider**”);

(collectively referred to herein as the “**Parties**” and individually as a “**Party**”)

## 2. INTERPRETATION AND DEFINITIONS

2.1. The headings in this Agreement are for reference purposes only and will not govern or affect the interpretation of nor modify nor amplify the terms of this Agreement.

2.2. Unless inconsistent with the context, the words and expressions have the following meanings and similar expressions will have corresponding meanings:

2.2.1. “**Acceptance Certificate**” means the document signed by SARS, indicating its Acceptance of a Service (or part thereof);

2.2.2. “**Acceptance Test Procedure**” means the criteria and process of measurement, examination and/or such other activities, required to verify that the Deliverable meets the SARS’s Functional Specification, or any other Specifications;

- 2.2.3. **"Acts of Insolvency"** means when a Party is unable to pay its debts, it becomes insolvent, and is going through a business rescue, the subject of any order made or a resolution passed for the administration, winding-up or dissolution (otherwise than for the purpose of a solvent amalgamation or reconstruction), has an administrative or other receiver, manager, trustee, liquidator, administrator, or similar officer appointed over all or any substantial part of its assets, enters into or proposes any composition or arrangement with its creditors generally or is the subject of any events or circumstances or analogous to the foregoing in the Republic of South Africa, as fully defined in the Insolvency Act, 1936 (Act No. 24 of 1936), as amended;
- 2.2.4. **"Ad Hoc Services"** means additional services required by SARS from time to time, which are related to the Services and procured by SARS during the Term, subject to SARS's procurement governance processes and procedures; which include amongst others, project assistance, professional services required by SARS;
- 2.2.5. **"Agreement"** means this Master Lease, Maintenance and Support Services Agreement in respect of Hardware including its annexures and/or schedules thereto as amended and/or added from time to time by the Parties in writing and RFP Document;
- 2.2.6. **"Affiliate(s)"** means, with respect to any entity, any other entity Controlling, Controlled by or under common Control with such entity. The term "Affiliate" will also include:
- 2.2.6.1. a subsidiary of such entity, as the term "subsidiary" is defined in section 3 of the Companies Act 71 of 2008, as amended; and
- 2.2.6.2. any foreign company which, if it were registered under such Act, would fall within the ambit of such term.
- 2.2.7. **"AFSA"** means the Arbitration Foundation of Southern Africa;

- 2.2.8. **“Applicable Law(s)”** means any statute which includes without being limited thereto, Companies Act, PFMA, PAJA, PAIA, POPIA, ECA and RICA, including any regulation, directive, or subordinate legislation; the common law; any binding court order as between the Parties, judgment; any applicable securities industry code, standard enforceable by law; or any applicable direction, policy or order that is given by the Authority where there is an onus on the Parties to adhere to the aforesaid;
- 2.2.9. **“Authority”** means any agency, tribunal, commission, regulator, self-regulatory body or other similar body having jurisdiction over the Deliverables and/or Services activities or operations of any of the Parties in any territory that is applicable to this Agreement, including without limitation, Information Regulator, SARB and SARS;
- 2.2.10. **“B-BBEE”** means broad-based black economic empowerment as defined in the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) as amended from time to time;
- 2.2.11. **“BEE Codes”** means the Codes of Good Practice on Black Economic Empowerment gazetted by the Minister of Trade and Industry under section 9 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), as amended, applicable to and binding on the Service Provider;
- 2.2.12. **“BEE Status”** means the BEE Status of the Service Provider based on its generic scorecard as measured and certified by a verification agency in accordance with the applicable BEE Codes;
- 2.2.13. **“BEE Verification Certificate”** means a certificate issued by a Verification Agency, verifying the Service Provider's BEE Status level, the details of its scorecard performance, as may be applicable, and any other aspect of its BEE performance under the Codes;
- 2.2.14. **“Best Industry Practices”** means the best industry practice, quality standards and requirements prescribed by ITIL and/or ISO;

- 2.2.15. “**BRS**” means SARS business requirements specification issued as part of SARS RFP.
- 2.2.16. “**Business Day**” means any day other than a Saturday, Sunday or public holiday in the Republic of South Africa;
- 2.2.17. “**Commercially Reasonable Efforts**” means taking such steps and performing in such a manner as a well-managed firm / consultancy would undertake where such firm / consultancy was acting in a prudent and reasonable manner to achieve the particular result for its own benefit, provided always that such steps are within the reasonable control of the Party;
- 2.2.18. “**Companies Act**” means the Companies Act, 2008 (Act No. 71 of 2008), as amended;
- 2.2.19. “**Confidential Information**” means
- 2.2.19.1. means in relation to SARS, subject to sub-Clause 2.2.19.3 immediately below in this definition any information or data of any nature, whether provided orally or in writing or otherwise obtained and in any format or medium, which constitutes:
- 2.2.19.1.1. SARS Information;
- 2.2.19.1.2. SARS Data;
- 2.2.19.1.3. Taxpayer Information;
- 2.2.19.1.4. Information as defined in section 68 of the Tax Administration Act, 2011 (Act No. 28 of 2011) (hereinafter referred to as “**TAAct**”);



2.2.19.1.5. information which by its nature, content, or circumstances of disclosure is or ought reasonably to be identifiable by the Service Provider as confidential (including by reason of such information not being generally known to, or readily ascertainable by, third parties generally) and/or proprietary to SARS, including (i) information regarding SARS Personnel, independent contractors and suppliers of SARS; processes and plans of SARS and governmental entities; projections, manuals, forecasts, and analyses of SARS; Intellectual Property owned by or licensed to SARS; (ii) information relating to the knowledge, know-how, expertise, trade secrets and activities of SARS; (iii) any information which SARS (without creating a presumption that only so designated information is confidential), acting reasonably, may designate in writing, at the time of disclosure to the Service Provider, as being confidential information; and (iv) and any other information of SARS which would be regarded by a reasonable person to be confidential or proprietary in nature;

2.2.19.1.6. in terms of Applicable Laws or by its nature, content, or circumstances of disclosure is or ought reasonably to be identifiable by the Service Provider as confidential (including by reason of such information not being generally known to, or readily ascertainable by, third parties generally) and/or proprietary to SARS, including: (i) data, financial information, information regarding taxpayers; information regarding employees, independent contractors and suppliers of SARS and Governmental Entities; processes and plans of SARS and Governmental Entities; projections, manuals, forecasts, and analysis of SARS and Governmental Entities; Intellectual Property owned by or licensed to SARS or a Governmental Entity; (ii) information relating to the knowledge, know-how, show-how, expertise, trade secrets and activities of SARS; (iii) any information which SARS (without creating a presumption that only so designated information is confidential), acting reasonably, may designate in writing, at the time of disclosure to the Service Provider, as being confidential information; and (iv) any other information of SARS or Governmental Entities which would be regarded by a reasonable person to be confidential or proprietary in nature; SARS or any person acting on behalf of SARS discloses or provides (or has previously disclosed or provided) to the Service Provider (including Service Provider Personnel, Service Provider affiliates, subcontractors, Third Party suppliers or agents, as applicable) or which the Service Provider (including the Service Provider's Personnel, Affiliates, Subcontractors, Third Party suppliers or agents, as applicable), otherwise becomes aware of in connection with this Agreement or as a result of the provision or receipt of the Services under this Agreement, and which information will be included in this Agreement;

- 2.2.19.2. means in relation to the Service Provider, any information or data of any nature, whether provided orally or in writing and in any format or medium, which is clearly designated in writing by Service Provider, at the time of disclosure to SARS, as being Confidential Information, and which written designation is, in each case acknowledged by SARS, by SARS initialling such designation, or which information by its nature could reasonably be expected to be confidential under the circumstances in which it is disclosed;
- 2.2.19.3. Confidential Information does not include information that is lawfully publicly available to, or lawfully in the Receiving Party's possession, at the time of disclosure thereof by the Disclosing Party (whether before or after the Effective Date) to the Receiving Party; or (ii) is independently developed or learned by the Receiving Party without reference to or use of the Confidential Information of the Disclosing Party; or (iii) is in or enters the public domain without breach of this Agreement or any other obligation owed by the Receiving Party to the Disclosing Party; or (iv) the Receiving Party receives from a Third Party without restriction on disclosure and without breach of a non-disclosure obligation; provided always that notwithstanding the foregoing:
- 2.2.19.3.1. the onus will at all times rest on the Receiving Party to establish that such information falls within such exclusions;
- 2.2.19.3.2. the information disclosed will not be deemed to be within the foregoing exclusions merely because such information is embraced by more general information that is publicly available or in a Party's possession;
- 2.2.19.3.3. any combination of features will not be deemed to be within the foregoing exclusions merely because individual features are publicly available or in a Party's possession, but only if the combination itself is publicly available or in a Party's possession; and

- 2.2.19.3.4. the determination of whether information is Confidential Information will not be affected by whether such information is subject to, or protected by, common law or statute related to copyright, patent, trademarks or otherwise.
- 2.2.20. “**Control**” means with regard to any entity, the right or power to dictate the management of and otherwise control such entity by any of:
- 2.2.20.1. holding directly or indirectly the majority of the issued share capital or stock (or other ownership interest if not a corporation) of such entity ordinarily having voting rights;
  - 2.2.20.2. controlling the majority of the voting rights in such entity; or
  - 2.2.20.3. having the right to appoint or remove directors holding a majority of the voting rights at meetings of the board of directors of such entity.
- 2.2.21. “**Data Protection Legislation**” means collectively, POPIA and any other legislation applicable to the protection of Personal Information in the Republic of South Africa;
- 2.2.22. “**Data Subject**” means the person to whom Personal Information relates;
- 2.2.23. “**Disclosing Party**” means a Party disclosing the Confidential Information to the Receiving Party;
- 2.2.24. “**Documentation**” means the Functional Specification, user manuals, training manuals, support manuals, including any other documentation relating to Services and or deliverables under this Agreement which will be furnished by the Service Provider to SARS as envisaged in this Agreement.
- 2.2.25. “**ECA**” means the Electronic Communications Act, 2005 (Act No. 36 of 2005), as amended;

- 2.2.26. **“Effective Date”** means \_\_\_\_\_, being the date upon which the Service Provider commenced with the provision of the Services or any part thereof notwithstanding the Signature Date;
- 2.2.27. **“Fees”** means the monthly rental fees payable by SARS to the Service Provider for the Hardware(s) which fees are as set out in **Annexure B**;
- 2.2.28. **“Force Majeure Event”** means any circumstances beyond a Party’s reasonable control and includes, without limitation: (i) acts of God, public enemy, fire, explosion, earthquake, perils of the sea, flood, storm or other adverse weather conditions, war declared or undeclared, civil war, revolution, civil commotion or other civil disorder, sabotage, riot, strikes, lock-outs or other labour disputes, blockade, embargo, sanctions, epidemics, pandemics, act of any Government or other Authority, compliance with law, regulations or demands of any Government or Governmental agency, limitations imposed by exchange control or foreign investment or other similar regulations or any other circumstances of like or different nature beyond the reasonable control of the Party so failing;
- 2.2.29. **“Functional Specification”** means the document specifying the technical functionality and operation of the Hardware, user manuals, training manuals, support manuals, including any other documentation relating to the Hardware under this Agreement which will be furnished by the Service Provider to SARS;
- 2.2.30. **“Hardware”** will mean an interactive Self-Service Kiosk technology solution customised for SARS to establish effective digital engagements with Taxpayers and it is conveniently located for ease of access and usage by Taxpayers ensuring easier compliance with their Statutory tax obligations as well as other SARS tax related matters with the specifications as detailed in the BRS, (including, where applicable, operating systems, middleware, software and firmware) specified in the BRS, procured, supplied and or maintained by the Service Provider to SARS from time to time in accordance with the provision of this Agreement;

- 2.2.31. **“ICT”** means information communication and technology
- 2.2.32. **“Incident”** means any event that is not part of the standard operation of a service, and which causes, or may cause, an interruption to, or a reduction in, the quality of the functionality of the Hardware;
- 2.2.33. **“Intellectual Property”** means all computer programs, software, source code, object code, programmer interfaces, specifications, operating instructions, compilations, lists, databases, systems, operations, processes, methodologies, technologies, algorithms, techniques, methods, designs, circuit layouts and mask-works, plans, reports, data, works protected under the Copyright Act 98 of 1978, works of authorship, video recordings, audio recordings, photographs, models, samples, substances, trade secrets, formulae, know-how, show-how, Confidential Information, concepts and ideas of any nature (including of a technical, scientific, engineering, commercial, strategic, financial, marketing or organisational nature), inventions, discoveries, drawings, notes, manuals, documentation, training materials, job aids, trademarks, service marks, logos, slogans, corporate, business and trade names, domain names, trade dress, brand names and other indicia of origin, regardless of whether Intellectual Property Rights actually inhere in any such items, and any other tangible or intangible items in which Intellectual Property Rights may inhere, as may exist anywhere in the world and any applications for registration of such intellectual property, and includes all Intellectual Property Rights in any of the foregoing;
- 2.2.34. **“Intellectual Property Rights”** means all rights of whatever nature and however described in respect of Intellectual Property, including:
- 2.2.34.1. all patents and other patent rights, including divisional and continuation patents, utility models;
- 2.2.34.2. rights in and to inventions, whether patentable or not;

- 2.2.34.3. rights in trademarks, service marks, logos, slogans, corporate, business and trade names, trade dress, brand names and other indicia of origin;
  - 2.2.34.4. rights in designs, topography rights, rights in circuit layouts and mask-works;
  - 2.2.34.5. copyright, including all copyright in and to computer programs;
  - 2.2.34.6. rights in internet domain names, reservations for internet domain names, uniform resource locators and corresponding internet sites;
  - 2.2.34.7. rights in databases and data collections; and
  - 2.2.34.8. know-how, show-how, trade secrets and confidential information, in each case whether or not registered and including applications for the registration, extension, renewal and re-issuance, continuations in part or divisions of, any of these and the right to apply for any of the foregoing, all claims for past infringements, and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world.
- 2.2.35. **"ITIL"** means the Information Technology Infrastructure Library published by the UK Office of Government Commerce ("**OGC**"), and any natural successor organisations to the OGC, from time to time together with the associated published codes of practice (including DISC PD005 and any updates and amendments thereto) and best practice guides published by the IT Service Management Forum ("**ITMF**") from time to time, including any natural successor organisations to the ITSMF;
- 2.2.36. **"Losses"** means all losses, liabilities, costs, expenses, fines, penalties, damages and claims, and all related costs and expenses (including legal fees on the scale as between attorney and own client, tracing and collection charges, costs of investigation, interest and penalties);

- 2.2.37. **“Maintenance Services”** means without being limited thereto, (i) preventative maintenance, scheduled maintenance and emergency maintenance as may be required for the purpose of ensuring continued functionality and operation of the hardware in accordance with the Functional Specification and Documentation, including the performance of: (ii) the maintenance activities (iii) the identification and notification of Problems and/or deficiencies;
- 2.2.38. **“OHSA”** means the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and regulations thereto, amended;
- 2.2.39. **“Operator”** means, in accordance with the provisions of POPIA, a person who processes personal information for a responsible party in terms of a contract or mandate, but does not come under the direct authority or control of the Responsible Party and for the purposes of this Agreement, Operator means the Service Provider;
- 2.2.40. **“PAIA”** means the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000), as amended;
- 2.2.41. **“PAJA”** means the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);
- 2.2.42. **“Personal Information”** means information relating to an identifiable, living, natural or juristic person as fully defined in section 1 of POPIA;
- 2.2.43. **“Personal Information Breach”** means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to, Personal Information transmitted, stored or otherwise Processed;
- 2.2.44. **“PFMA”** means the Public Finance Management Act, No. 1 of 1999;
- 2.2.45. **“POPIA”** means Protection of Personal Information Act, 2013 (Act No. 4 of 2013);



- 2.2.46. **"Pre-delivery Testing"** means the Service Provider's testing of the Hardware, which testing is to be performed by the Service Provider prior to submitting or delivering such Kiosk to SARS for SARS's evaluation;
- 2.2.47. **"Premises"** means a Party's site and or facilities where the Services are required;
- 2.2.48. **"Privacy and Data Protection Requirements"** means the 8 (eight) requirements for the lawful Processing of personal information contained in Chapter 3 of POPIA;
- 2.2.49. **"Problem"** means the underlying cause of one or more Incidents; or the occurrence of a problem or error in the Hardware if applicable, reported by SARS to the Service Provider, including a Deficiency;
- 2.2.50. **"Process" and "Processing"** means any operation or activity or any set of operations, whether or not by automatic means, concerning Confidential Information, including its collection, receipt, recording, organisation, collation, storage, updating or modification, merging, linking, blocking, degradation, erasure or destruction retrieval, alteration, consultation, testing or use, dissemination or distribution by any means;
- 2.2.51. **"Repo Rate"** means the interest rate (percent per annum) at which the South African Reserve Bank lends money to private banks;
- 2.2.52. **"Responsible Party"** means the party who determines the purpose of and means for Processing Personal Information and for the purposes of this Agreement, Responsible Party shall mean SARS;
- 2.2.53. **"RFP"** means SARS Request for Proposal no 24/2022;
- 2.2.54. **"SANAS"** means the South African National Accreditation System established in terms of Section 3 (1) of the Accreditation for Conformity Assessment Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006) and recognised by the South African Government as the national accreditation body;

- 2.2.55. **“SARS Act”** means the South African Revenue Service Act, 1997 (Act No. 34 of 1997);
- 2.2.56. **“SARS Data”** means any information and/or data including but not limited to data or any information owned and created by SARS, whether or not Confidential Information in any format, being information of SARS relating to SARS’s business operations, a taxpayer, its employees, contractors and Service Provider which information and/or data includes without being limited thereto, personal information as defined in the Tax Acts, POPIA, or any other Applicable Legislation, including:
- 2.2.56.1. all reports, documentation, software or inventions in material form, irrespective of media on which they occur, entered into, contained in and/or stored, collected, accessed or processed by the Service Provider for the purpose of providing the Services to SARS; and
- 2.2.56.2. all other records, data, files, input materials, reports, forms and other such items that may be received, computed, developed, used or stored by the Service Provider or any of the Service Provider Personnel, Subcontractors, for or on behalf of SARS or in connection with the Services;
- 2.2.57. **“SARS’s Designated Representative”** means any SARS official who is authorised to enter into this Agreement with the Service Provider;

2.2.58. **"SARS Information"** means— (a) any information (including Personal Information) about a current or former SARS official, whether deceased or not; (b) information that is subject to legal professional privilege vested in SARS; (c) information that was supplied in confidence by a third party to SARS, the disclosure of which could reasonably be expected to prejudice the future supply of similar information, or information from the same source; (d) information related to investigations and prosecutions described in section 39 of PAIA; (e) information related to the operations of SARS, including an opinion, advice, report, recommendation or an account of a consultation, discussion or deliberation that has occurred, if— (i) the information was given, obtained or prepared by or on behalf of SARS for the purpose of assisting to formulate a policy or take a decision in the exercise of a power or performance of a duty conferred or imposed by law; and (ii) the disclosure of the information could reasonably be expected to frustrate the deliberative process in SARS or between SARS and other organs of state by— (aa) inhibiting the candid communication of an opinion, advice, report or recommendation or conduct of a consultation, discussion or deliberation; or (bb) frustrating the success of a policy or contemplated policy by the premature disclosure thereof; (f) information about research being or to be carried out by or on behalf of SARS, the disclosure of which would be likely to prejudice the outcome of the research; (g) information about the disclosure of which could reasonably be expected to prejudice the economic interests or financial welfare of the Republic of South Africa or the ability of the government to manage the economy of the Republic of South Africa effectively in the best interests of the Republic of South Africa, including a contemplated change or decision not to charge a tax or a duty, levy, penalty, interest and similar moneys imposed under a Tax Act; (h) information supplied in confidence by or on behalf of another state or an international organization to SARS; (i) a computer program, as defined in section 1(1) of the Copyright Act, 1978 (Act No. 98 of 1978), owned by SARS; (j) financial, commercial, scientific or technical information, other than trade secrets, of SARS, the disclosure of which would be likely to cause harm

to the financial interests of SARS; (k) information the disclosure of which could reasonably be expected to put SARS at a disadvantage in contractual or other negotiations; and (l) information relating to the security of SARS buildings, property, structures or systems;

- 2.2.59. **“SARS Personnel”** means SARS’s staff, consultants and/or agent employed by SARS for the purposes of the Agreement;
- 2.2.60. **“SARS PPS&G”** means the SARS’s policies, procedures, processes, standards, guidelines, and other similar issuances (including any updates, amendments or revisions) that are applicable to the Services or the Service Provider from time to time as may be amended, updated and/or replaced by SARS;
- 2.2.61. **“SARS Provided Software”** means Software owned or licensed by SARS that (i) is designated by SARS from time to time as being the subject of the Services or (ii) is otherwise provided by SARS in order for Service Provider to perform the Services;
- 2.2.62. **“Services”** means the leasing as well as the functions and responsibilities related to the leasing, maintenance and support of the Hardware to be provided by the Service Provider to SARS in respect of the Hardware as detailed in clause **Error! Reference source not found.** as they may evolve or be supplemented, enhanced, modified, amended or replaced in accordance with the terms of this Agreement, and in particular means: (i) the Maintenance Services; (ii) the Support Services; (iii) Upgrade of the Kiosk functionality; (iv) Ad Hoc Services, and any services related to those detailed in (i) to (iv) above;
- 2.2.63. **“Service Level”** means a quantitative standard of performance of the Services that the Service Provider is required to satisfy in its performance of the Services, as are detailed under **Annexure A**;
- 2.2.64. **“Service Level Agreement”** means the Service Level Agreement attached hereto and marked **Annexure A**;

- 2.2.65. “**Service Provider**” means \_\_\_\_\_ (Registration Number \_\_\_\_\_), an entity incorporated under the company Laws of the Republic of South Africa, Affiliates and permitted assigns;
- 2.2.66. “**Service Provider Personnel**” means the Service Provider’s staff, be they permanent, temporary or contractors, performing the Services on behalf of the Service Provider;
- 2.2.67. “**Signature Date**” means the date of signature of this Agreement by the last Party signing;
- 2.2.68. “**Software**” means any elements of coding or computer programs (including related documentation and media), including as applicable the object code and/or source code and without limit to whether the software is operating system software, applications software, tools, firmware or otherwise;
- 2.2.69. “**SPOC**” means a Single Point of Contact designated by either Party to ensure the implementation of the Agreement in accordance with the terms hereof and to resolve any operational issues pertaining thereto;
- 2.2.70. “**Support Services**” means the provision of services including all support activities in the RFP as fully set out in Clause **Error! Reference source not found.** below, by the Service Provider to SARS whereby the Service Provider: (i) attends to all service request logged by SARS and escalated to the Service Provider; (ii) resolves all Incidents and Problems logged by SARS in accordance with the Service Levels; (iii) the installation and repair of all hardware Breakages and (iv) provides professional services in respect of or related to the hardware to ensure the continued functionality of the hardware in accordance with the Functional Specification and/or Documentation, which services may be provided via telephonic support or in person;

- 2.2.71. **“Tax Act”** means an Act, or a portion thereof, referred to in section 4 read with Schedule 1 to the SARS Act, as well as the Tax Administration Act No. 28 of 2011; the Mineral and Petroleum Resources Royalty Act No 28 of 2008 and the Mineral and Petroleum Resources Royalty Administration Act No. 29 of 2008 as amended;
- 2.2.72. **“Taxpayer Information”** means any relevant material, including details of a Taxpayer's bank account, Tax reference number; identity number and/or any information, document or thing that is reasonably foreseeable to be relevant to enable the performance of the Services as envisaged in this MSA (and as may be more fully described in the Agreement), provided by a Taxpayer or obtained by SARS in respect of a Taxpayer;
- 2.2.73. **“Term”** means the term of this Agreement as defined in Clause 6 below;
- 2.2.74. **“Third Party”** means any person other than SARS, Affiliates, Service Provider or Subcontractor;
- 2.2.75. **“Third Party Intellectual Property”** means Intellectual Property owned by a third party and licensed for use by the Service Provider in the provision of the Services subject to SARS's written consent;
- 2.2.76. **“Transactional Documents”** will mean any Schedule, Annexure, addendum, exhibit, appendix and/or Purchase Order containing terms and conditions applicable to this Agreement and specifying the Services to be provided by the Service Provider to SARS in accordance with the provisions of this Agreement; and
- 2.3. Any reference in this Agreement to:
- 2.3.1. **“Clause”** shall, subject to any contrary indication, be construed as a reference to a Clause in this Agreement.
- 2.3.2. **“Person”** refers to any person including juristic entities.

- 2.4. Unless inconsistent with the context or save where the contrary is expressly indicated:
  - 2.4.1. if any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it appears only in the definition Clause, effect shall be given to it as if it were a substantive provision of this Agreement;
  - 2.4.2. when any number of days is prescribed in this Agreement, such a period shall be computed by excluding the first and including the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the next succeeding Business Day;
  - 2.4.3. no provision of this Agreement constitutes a stipulation for the benefit of any Person who is not a Party to this Agreement; and
  - 2.4.4. a reference to a Party includes that Party's successors-in-title and permitted assignees, including any other persons contemplated in Clause 2.8 of this Agreement.
- 2.5. Unless inconsistent with the context, an expression which denotes:
  - 2.5.1. any one gender includes the other gender; and
  - 2.5.2. the singular includes the plural and vice versa.
- 2.6. Unless it is clear from a specific Clause in which a term has been defined, that such definition has limited the application to the relevant Clause, any term defined within the context of any particular Clause in this Agreement shall bear the same meaning as ascribed to it throughout the Agreement, notwithstanding that that term has been defined in a specific Clause.
- 2.7. The termination of this Agreement will not affect the provisions of this Agreement which operate after any such termination or which of necessity must continue to have effect after such termination, notwithstanding that the clauses themselves do not expressly provide for this.

- 2.8. This Agreement is binding on the executors, administrators, trustees, permitted assignees or liquidators of the Parties as fully and effectually as if they had signed this Agreement in the first instance and reference to any Party is deemed to include such Party's estate, heirs, executors, administrators, trustees, permitted assigns or liquidators, as the case may be.
- 2.9. Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 2.10. None of the provisions hereof shall be construed against or interpreted to the disadvantage of the Party responsible for the drafting or preparation of such provision.
- 2.11. Subject to Clause 2.11.2 below in the event of a conflict:
- 2.11.1. between the terms and condition contained in various clauses of this Master Lease, Maintenance and Support Services Agreement and any other document that is part of or executed under this Master Lease Maintenance and Support Agreement, these terms and conditions of this Master Lease, Maintenance and Support Agreement shall prevail; and/or
- 2.11.2. The Master Lease, Maintenance and Support Agreement, and RFP, the provision of the RFP will prevail.
- 2.12. This Agreement shall govern the relationship between the Parties for Services to be provided by the Service Provider to SARS. Any terms and conditions imposed by the Service Provider (whether in a quotation, offer, proposal, invoice, etc., as the case may be) and purporting to bind SARS, shall not (to the extent that they contradict the provisions of this Agreement) override this Agreement, unless agreed to by SARS in writing and such agreement is confirmed and signed by SARS.



### 3. APPOINTMENT AND NON-EXCLUSIVITY

- 3.1. SARS hereby appoints the Service Provider, on a non-exclusive basis, to provide the Services on the terms and conditions of this Agreement, and the Service Provider hereby accepts such appointment.
- 3.2. Nothing contained herein will in any way be construed or constitute a guarantee in favour of the Service Provider that the Service Provider will receive any work or contract from SARS for the services in the future, whether under this Agreement or otherwise.
- 3.3. SARS shall not be precluded from obtaining services that may be similar or identical to the Services from any other service provider and nothing contained herein shall in any way be construed or constitute a guarantee in favour of the Service Provider, that the Service Provider will receive any work or contract for services in the future, whether under this Agreement or otherwise from SARS.

### 4. NATURE OF RELATIONSHIP

- 4.1. The Parties act for all purposes in terms of the Agreement as independent contractors. Without limiting the foregoing:
  - 4.1.1. neither Party shall be entitled to contract on behalf of or bind the other Party in any manner whatsoever or to incur any liability or debt on behalf of the other Party; and
  - 4.1.2. the Service Provider shall not publish or cause to be published any advertisement or other information relating to SARS or SARS's business without the prior written approval of SARS; and

- 4.1.3. neither Party's Staff shall be deemed Staff of the other Party for any purpose whatsoever and for these purposes, where the Service Provider has utilised the fixed term contractors, temporary employees and/or consultants either as Service Provider Personnel, the Service Provider undertakes to ensure that its contracts with the aforesaid Service Provider Personnel, specifically states that the assignment to SARS is only for a project and is by no means a reflection of SARS as an intended employer of the Service Provider Personnel or deemed employer in terms of the deeming provision introduced by section 198 the Labour Act, 1995 (Act No. 66 of 1995 as amended) ("**the Labour Relations Act**"), in the event of termination of this Agreement for any reason whatsoever.
- 4.2. In the event that the Labour Act, deems the Service Provider Personnel to be employees for the purposes of the aforesaid section 198, the Service Provider undertakes to indemnify SARS in full against all costs, expenses (including legal expenses on an attorney own client scale), damages, loss (including loss of business or loss of profits), liabilities, demands, claims, actions or proceedings, which the Service Provider may incur arising as a result of the aforesaid Labour Act.

## 5. SUBCONTRACTORS

- 5.1. The Service Provider may not sub-contract its obligations under this Agreement without the prior written consent of SARS which consent may be withheld by SARS in its sole discretion.
- 5.2. Should SARS consent to such appointment, the Service Provider will in no event be relieved of its obligations under this Agreement as a result of its use of any subcontractors. The Service Provider will at all times be responsible to SARS for fulfilment of all the Service Provider's obligations under this Agreement and will remain SARS's sole point of contact regarding the Services, including with respect to payment.

- 5.3. The Service Provider will supervise the activities and performance of each subcontractor and will be jointly and severally liable with each such subcontractor for any act or failure to act by such subcontractor.

## **6. COMMENCEMENT AND DURATION**

- 6.1. The term of this Agreement will commence on the Effective Date and will continue for a period of 12 months whereafter it may be extended for a period not exceeding 2 (two) consecutive 12 (twelve) months subject to SARS procurement policies and procedures (“Term”).
- 6.2. For the avoidance of doubt, it is agreed by the Parties that where procurement approval has not been obtained by SARS for the extension, expansion or variation of this Agreement, it shall automatically terminate.

## **7. SCOPE OF SERVICES**

- 7.1. The Service Provider will lease the Hardware to SARS during the subsistence of this Agreement and in accordance hereof, as and when procured by SARS on a month-to-month basis and for a period not exceeding the Term, Hardware. on the terms and conditions of this Agreement and subject to the Service Levels.
- 7.2. The Service Provider must deliver and install the Hardware at different sites at SARS offices or any sites as per SARS requirements at the time of need and that will be communicated on an ad hoc basis.
- 7.3. The Service Provider undertakes to ensure that the Services are provided in accordance with the Best Industry Practice and attaining the Service Level and Performance criteria/standards at all times.

### **7.4. Installation of Hardware**

7.4.1. Upon receipt of a request for an installation relating to the Hardware, Service Provider shall Comply with the technical specifications for the Hardware as contained in the RFP documents; An installation will be deemed completed once Service Provider has notified SARS that such Install has successfully passed applicable Acceptance Testing Procedures.

#### **7.5. Maintenance Services for the Hardware:**

7.5.1. The Service Provider shall for the duration of this Agreement provide the Maintenance Services in accordance with the provisions of this Agreement.

7.5.2. The Service Provider will ensure that the Hardware functions error-free and will maintain the Hardware in such a manner as to ensure that it is continually compliant with the Documentation and the SARS technical requirements.

7.5.3. In the performance of the maintenance Services, the Service Provider shall, on an ongoing basis and in a sustained manner, provide preventative maintenance as frequently as is required, but no less than 3 (three) times per annum, on the dates and at the times specified by SARS. In addition, the Service Provider shall identify the nature and cause of each problem and provide SARS with future avoidance advice as well as undertaking any necessary preventative measures to minimise recurrence of the problem.

7.5.4. The Service Provider shall, at its expense, supply all items necessary or required for the provision of the maintenance Services, provided that should the Services be provided at the SARS Premises, supplies of electricity reasonably required by the Service Provider to provide such Services will be made available to

the Supplier in accordance with the SARS procedures and at the SARS expense.

7.5.5. The Service Provider shall, at its expense, supply all items necessary or required for the provision of the maintenance Services, provided that should the Services be provided at the SARS Premises, supplies of electricity reasonably required by the Service Provider to provide such Services will be made available to the Supplier in accordance with the SARS procedures and at the SARS expense.

7.5.6. The Service Provider is required to remove the Hardware from use for the purposes of repair, the Service Provider shall provide SARS with loan Hardware, at no extra cost, while such Hardware is being repaired.

7.5.7. In the event that Hardware is removed from the Premises, the risk in such Hardware shall vest in the Service Provider from the time of removal thereof from the SARS Premises until it is returned and installed at the SARS Premises.

7.5.8. Any spare or replacement parts or components supplied in the performance of maintenance services, shall accede to the Hardware upon installation thereof and shall not become the property of SARS, Unless otherwise agreed by the SARS in writing, all spare or replacement parts or components supplied under this Agreement in respect of Hardware which (i) if under the Warranty Period, shall be as supplied by the OEM in terms of its warranty program and shall be used in accordance with the OEM's specifications; and (ii) if not under the Warranty Period, shall be either new or refurbished. The costs of all spare and replacement parts are included in the rental fees.

7.5.9. The Service Provider's appointment of sub-contractors and/or agents to perform the Maintenance Services on its behalf shall be subject to prior written consent of SARS. which consent may not be unreasonably withheld, the Service Provider shall be liable for the sub-contractors and such appointment shall not relieve the Service Provider of any of its obligations as set out in this Agreement.

7.5.10. Should the Service Provider remove, inspect, maintain or repair Hardware, the Service Provider shall, unless otherwise agreed in writing by SARS, enquire whether an up-to-date back-up copy of any data or software therein is available, prior to commencing work.

7.5.11. The Parties record that upgrade and/or updates, bug fixes and patches are included in the maintenance Services for any embedded software in the Hardware.

7.6. Engineering changes:

7.6.1. Labour costs for implanting engineering changes documented by the OEM as being mandatory will be considered as being included in the maintenance charges hereunder, provided that such engineering changes are carried out during the period of maintenance coverage. The cost of the materials required to effect any mandatory engineering change shall be borne by the Service Provider;

7.6.2. Where SARS requests the installation of an engineering change offered by the OEM as being optional, all labour and material costs shall be borne by the SARS.

7.6. Removal or addition of Hardware:

7.6.1. In the event of the SARS discontinuing usage of any Hardware during the currency of this Agreement, SARS shall have the right to remove such Hardware from the Services by giving the Supplier 30 (thirty) days written notice of its intention to discontinue usage thereof;

7.6.2. In the event of the SARS wishing to include any additional Hardware(s) Hardware to the Services, it shall be entitled to do so by giving written notice through a Transactional Document to the Service Provider, whereupon the Service Provider shall immediately commence providing the Services in respect of such additional Hardware.

7.6.3. In the event of either removal or addition of Hardware to the Services, the rental fees will be accordingly adjusted.

7.7. Unserviceable Hardware:

7.7.1. If, in the opinion of the Service Provider, any Hardware or any part thereof cannot be maintained to the necessary operational standard, as a result of obsolescence, the Service Provider shall be entitled to estimate the cost, in the form of a written quotation, for SARS perusal and consideration, which shall be additional to the charges, for the reconditioning and/or replacement of the Hardware, or any part thereof.

7.8. Cleaning of the Hardware:

7.8.1. The Service Provider Personnel shall perform reasonable cleaning of the interior and exterior of the Hardware as a preventative maintenance measure, including removing dust from internal parts

**7.9. Support Services:**

- 7.9.1. In providing the Support Services, SARS shall request the assistance of the Service Provider with regard to any problems in the hardware which it may identify in accordance with the procedures set forth by the Original Equipment Manufacturer.
- 7.9.2. The Service Provider undertakes as part of the Support Services, to ensure use of Commercially Reasonable Efforts to ensure that the software provided by SARS functions error-free and it is compatible with the hardware supplied by the Service Provider, identify the nature and cause of any Problem(s) in operating the Hardware, advise SARS thereof and provide SARS with future avoidance advice as well as undertaking any necessary preventative measures to minimise recurrence of the Problem.
- 7.9.3. The Service Provider shall, at its expense, supply all items necessary or required for the Support Services, provided that should the Support Services be provided at SARS's Premises, supplies of electricity, reasonably required by the Service Provider to provide such Services will be made available to the Service Provider in accordance with SARS's procedures and at SARS's expense.
- 7.9.4. The Service Provider undertakes as part of the Support Services, to ensure that it will on an ongoing basis apply Best Industry Practices to provide proactive preventative maintenance and advice in an effort to ensure that the Hardware will function error-free and will continue to comply with its Functional Specifications. In addition, the Service Provider will identify the nature and cause of the Problem, advise SARS thereof and provide SARS with future avoidance advice as well as undertaking any necessary preventative measures to minimise recurrence of the Problem.



- 7.9.5. The Service Provider shall ensure alignment of the Maintenance and Support Service with regard to the hardware as of the Effective Date of this Agreement.

## 8. PROVISION OF THE SERVICES

- 8.1. Without limiting the generality of the Service Provider's obligations detailed elsewhere in this Agreement, certain responsibilities are included within the scope of the Services, these responsibilities include compliance with good engineering practices and Compliance with SARS PPS&G;
- 8.2. Prompt, efficient and courteous co-ordination and co-operation with SARS and the Taxpayers, including the use of good customer service techniques, such as arranging, before the time, to meet a SARS personnel when making an onsite call the use of good housekeeping and professionalism in the maintenance of any office space that SARS may make available or other SARS' Premises, or storage areas;
- 8.3. Maintaining the technology used by Service Provider in the Service Provider environment to provide the Services (including monitoring Service Provider Hardware and Service Provider Software) reasonably up to date as new technology is introduced into the market, so as to keep the Hardware competitive with the similar services offered by well-managed and adequately-funded organizations throughout the Term;
- 8.4. Compliance with SARS's information and data security standards as communicated in writing from time to time;

- 8.5. At its own cost, provide, maintain and, where required, upgrade such computer hardware, accessories and other equipment required for provision of the Service. The Service Provider shall ensure that its internal systems and infrastructure and the Service provision at all times remains compatible with SARS's architectural technology standards and strategies; and without limiting the generality of this Clause 8, at its own cost, maintain its computer-based security systems to counteract fraudulent claims in as far as it is in accordance with the Best Industry Practice or security level that is no less secure than the security SARS provided as of the Effective Date or the security the Service Provider then provides for its own systems and data, whichever is greater.
- 8.6. The Service Provider undertakes for the Term, to provide the Services as fully outlined in Clause **Error! Reference source not found.** to SARS in accordance with the provisions of this Agreement.
- 8.7. The Service Provider shall perform the Services contemplated in this Agreement remotely or where required, onsite, at the Premises. In instances, where SARS discloses Confidential Information for the provision of the Services, the Service Provider shall not remove any of the so disclosed Confidential Information from the Premises without SARS's express prior written permission, which SARS may, in its sole discretion, withhold. For these purposes, the Service Provider Personnel shall sign SARS's oath of secrecy which documents will once signed by the Parties, be incorporated herein by reference.

- 8.8. The Service Provider shall provide all Services utilising security technologies and techniques in accordance with Best Industry Practice and SARS PPS&G including those relating to the prevention and detection of inappropriate use or access of software, systems and networks. For the avoidance of doubt, the Service Provider will not be under any obligation to find such suitable software, systems or networks if it is not currently using it in the provision of services to its other clients. Should the Service Provider, however, be using certain software or programmes for similar services rendered to other clients, SARS has the expectation that such software will also be used in the provision of the Services under this Agreement, where appropriate.
- 8.9. The Service Provider undertakes for the Term to use industry leading levels of functionality and performance as prescribed by the Best Industry Practice in the provision of the Services to SARS;
- 8.10. To implement such new technologies as it deems appropriate to deliver the Services to SARS in order to maintain competitiveness in the quality and scope of Services available to SARS and to take advantage of market cost efficiencies. The Service Provider will also keep the Services under this Agreement current with industry advances and leading technology standards; and
- 8.11. To provide SARS with information regarding any newly improved or enhanced commercially available information technologies that the Service Provider becomes aware of and which reasonably could be expected to have a positive impact on the Services including, without limitation, in the areas of increased efficiency, increased quality and/or reduced costs.

- 8.12. Without limiting the generality of the foregoing, the Service Provider shall implement and/or use network management and maintenance applications and tools and appropriate intrusion detection, identity management, and encryption technologies when providing the Services. The Service Provider shall maintain the security of the Services and the systems relating to such Services at a level that is generally acceptable in the marketplace and/or as prescribed by Best Industry Practice.
- 8.13. The risk of and liability for any erroneous service rendered or any errors which may occur due to fraud or unlawful activity on the part of the Service Provider's Staff shall lie with the Service Provider.
- 8.14. In the event that any installation, connection and/or configuration of the systems is required for the performance of the Services, the Parties shall record and agree on the technical specification required for the installation, connection and configuration of such systems used for the provision of the Services in order to ensure Services performance and delivery.
- 8.15. Without limiting the provisions of this Clause **Error! Reference source not found.**, the Parties undertake to do all reasonable things, perform all reasonable actions and take all reasonable steps and, where necessary, to procure the doing of same as may be open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and/or import of this Agreement where such things, actions, steps and procurement shall not materially and/or adversely affect such Party being expected to so perform.

## 9. SERVICE COMPATIBILITY

9.1. The Service Provider shall in providing the Services as envisaged in this Agreement, cooperate with all Third-Party Service Providers of SARS to coordinate its provision of the Services with the services and systems of such Third-Party Service Providers. Subject to reasonable confidentiality requirements, such cooperation will include providing:

9.1.1. applicable written information concerning any or all of the Service Provider resources, data and technology strategies used in providing the Services;

9.1.2. reasonable assistance and support services to such Third-Party Service Providers; and

9.1.3. access to systems and architecture configurations of the Service Provider to the extent reasonably required for the activities of such Third-Party Service Providers. SARS will procure that relevant Third-Party Service Providers to SARS provide the Service Provider with their reasonable cooperation, where reasonably requested by the Service Provider.

9.2. In order to prevent disruption to the Services, the Service Provider will immediately notify SARS if an act or omission of a Third-Party Service Provider may cause a problem (including a Problem) or delay in providing the Services and will work with SARS to prevent or circumvent such problem or delay.

## 10. SERVICE PROVIDER PERSONNEL

10.1. The Service Provider shall:

10.1.1. ensure that the Service Provider Personnel who perform the services are appropriately skilled, experienced and qualified to render the specific services for which they are responsible, and that each of them strictly complies with this Agreement including the Service Level Agreement in the performance of the Service;

10.1.2. duly comply with its contractual arrangements with all Service Provider Personnel to ensure uninterrupted provision of Services.

10.1.3. Be liable for any criminal activity, delicts, misconduct, failure to comply with any law and/or wrongdoing on the part of a Service Provider Personnel committed (or omitted) by a Service Provider Personnel in the course of the Agreement and the Service Provider hereby (in addition to any other indemnities recorded elsewhere in the Agreement), indemnifies SARS and holds SARS harmless against any costs, liabilities, expenses or damages of whatever nature suffered or incurred by SARS, and caused directly by any Service Provider Personnel.

## **11. ACCEPTANCE TESTING AND DELIVERY**

11.1. Prior to presenting the Hardware to SARS for Acceptance Testing, the Service Provider will carry out Pre-delivery Testing in order to ensure that the Hardware functions in accordance with the relevant Functional Specifications and complies with the SARS Specifications. Notwithstanding the aforesaid, the Service Provider shall where required by SARS, assist SARS in resolving any Pre-Delivery Testing issues encountered.

11.2. Any other error experienced by users, will be resolved by the Service Provider (and if applicable, the Original Equipment Manufacturer) as part of Support Services, in line with the Service Levels.

## **12. SERVICE LEVELS**

12.1. The Service Provider shall perform the Services with promptness and diligence, and courtesy on a best effort basis and ensuring that all Service request logged are attended to during Business Hours and/or Support Hours as stated in the Service Level Agreement (**Annexure A**).

## **13. DECOMMISSIONING**

13.1. The Service Provider shall perform decommissioning of the Hardware in accordance with SARS directives.

## 14. HEALTH, SAFETY AND SECURITY PROCEDURES AND GUIDELINES

14.1. SARS has in terms of OHS Act,

14.1.1. established and provided a safe working environment for SARS's Personnel and visitors to its Premises and further maintains the work environment, which is safe, without risks to the health of SARS's Personnel and visitors, in as far as is reasonably practical to eliminate or mitigate any health and safety hazard or potential health and safety hazard; and

14.1.2. controls in place required to respond to any health safety risk which controls are regularly updated in line with the applicable provisions of the OHSA and where required, standards and guides as published by the aforesaid prescript and/or National Institute for Communicable Diseases (NICD).

14.2. The Service Provider hereby agrees and undertakes:

14.2.1. in terms of section 37(2) of the OHSA, to ensure that the Service Provider and the Service Provider's Personnel comply in all respects, with the aforesaid OHSA and regulations and accept sole responsibility for all health and safety matters relating to the provision of the Services, or in connection with or arising out of such Services, for the Term of this Agreement, including with regard to the Service Provider Personnel and ensuring that neither SARS's Personnel nor any Third Party Service Providers staff's health and safety is endangered in any way by the Service Provider's activities or conduct in providing the Services whilst at the Premises.

- 14.2.2. to ensure that the Service Provider Staff will at all times and if required by SARS at its Premises, be in possession of the necessary PPE (Personal Protective Equipment) prescribed by the OHS Act before entering SARS's offices and Premises and shall when within SARS's offices and/or Premises, adhere to SARS PPS&G applicable to SARS and SARS's Personnel and are available to the Service Provider on request. Should SARS at any time have reason to believe that any member of the Service Provider Personnel is failing to comply with SARS PPS&G, SARS will be entitled to deny such member of Service Provider Personnel to any or all of Premises and require the Service Provider to replace such member of Staff without delay.
- 14.3. The Service Provider undertakes and warrants to SARS that:
- 14.3.1. it shall ensure that all Service Provider Personnel are and remain adequately and validly insured in terms of the Compensation for Occupational Injuries and Diseases Act, 130 1993 ("**COIDA**"), and shall deliver proof to that effect to SARS as and when required to do so. In addition, the Service Provider shall, before commencement of the Services (notwithstanding the Effective Date), furnish to SARS a copy of a certificate of good standing issued by the Compensation Commissioner appointed in terms of COIDA;
- 14.3.2. it shall at all times comply with the provisions of COIDA and the OHS Act;
- 14.3.3. it shall, at the request of SARS, furnish to SARS a copy of its own health, safety and environmental plan, policy and procedures pertaining to occupational health and safety, and amend such policy if SARS can reasonably demonstrate that the plan, policy and/or procedures are incomplete or inadequate;
- 14.3.4. it shall ensure that no Service Provider Personnel brings intoxicating drugs or liquor onto the Premises, and that no Service Provider Personnel arrives at the Premises under the influence of intoxicating drugs or liquor;



- 14.3.5. it shall supply all personal protective equipment and clothing, and other safety measures and equipment, as may be necessary in the circumstances (or as may be requested by SARS from time to time) in order to protect Service Provider Personnel while they are at the Premises; and
- 14.3.6. It shall ensure that all equipment, tools and materials brought onto the Premises for use by the Service Provider Personnel, are in good working order for the Term, and that they meet the requirements contemplated in the OHSA.
- 14.4. SARS reserves (where applicable), the right to undertake audit(s) at any given time at the Service Provider's and its sub-contractor's Premises to assess the Service Provider's compliance with its health and safety plan;
- 14.5. The Service Provider hereby indemnifies and agrees to hold SARS harmless against any loss, damages, liability or expense suffered or incurred by SARS:
  - 14.5.1. as a result of any breach in terms of this clause; and
  - 14.5.2. in terms of the OHSA as a result of any Service Provider Personnel failing to comply with SARS PPS&G as contemplated in clause 14.2 above;
  - 14.5.3. as a result of any charge that may be brought against SARS in terms of Section 37 and related provisions of the OHSA, in the event that any of its personnel commit any offense in terms of the OHSA, while on the Premises.
- 14.6. The indemnity referred to in clause 14.5 is in addition to the general indemnity contained elsewhere in this agreement and does not limit the ambit of the general indemnity in any way whatsoever.

## 15. FEES INVOICING AND PAYMENT

- 15.1. In general, the Fees applicable to the Services are set out in **Annexure B** hereto.
- 15.2. SARS shall for the Term, pay the Service Provider for the provision of the Services the monthly rental Fees set out in Schedule 1 within 30 (thirty) days of receipt of the Service Provider's invoice.
- 15.3. The Service Provider will (subject to the provisions of this Clause 15), not be entitled to: (i) impose or seek payment of any amounts or charges under the Agreement other than the Fees; (ii) establish any new types of charges under the Agreement; or (iii) modify any of the Fees under the Agreement; unless SARS has agreed thereto in writing.
- 15.4. Each invoice will consist of or have attached statement of the total amount due which will be itemised per Service.
- 15.5. The Service Provider will verify that each invoice is complete and accurate and that it conforms to the requirements of the Agreement (including by carrying out detailed checks of each invoice) before issuing the invoice to SARS.
- 15.6. SARS may withhold any amounts that it disputes in good faith, provided that such dispute shall either be discussed in the meetings and/or automatically be referred to dispute resolution in terms of Clause 44.
- 15.7. The Service Provider will maintain complete and accurate records of, and supporting documentation for, the amounts invoiced to, and payments made by SARS hereunder in accordance with generally accepted South African accounting practice.

15.8. SARS may as and when it deems necessary audit the Fees that have been paid to the Service Provider during the Term. For these purposes, the Service Provider shall within 10 (ten) days after SARS's request, provide SARS with response to any payment queries raised by SARS including any other documentation or information reasonably required in order to verify the accuracy of the Fees invoiced and paid by SARS including compliance by the Service Provider with the requirements of the Agreement. In the event that SARS determines, at any time during the Term and/or expiry thereof that SARS has overpaid the Service Provider, the Service Provider shall refund such overpaid Fees to SARS in fully without any set off, including any interest thereon, calculated at Repo Rate.

## **16. TAX, DUTIES AND CURRENCY ISSUES**

16.1. Unless otherwise specified, all Fees and expenses are recorded exclusive of Value Added Tax. The Service Provider will be financially responsible for all taxes associated with the Services and will comply with all applicable laws relating to tax and tax invoices.

16.2. All Fees set out in this Agreement are inclusive of any export and import tax.

16.3. The Fees are stated in South African Rand and will be quoted, invoiced and paid in South African Rand. Subject only to the discounts contemplated in the RFP, the Fees are not subject to adjustment due to any currency fluctuations for the duration of the Agreement.

## **17. DISPUTED FEES AND INVOICING ERRORS**

17.1. SARS may withhold payment of any Fees that SARS disputes in good faith (or, if the disputed Fees have already been paid, SARS may withhold an equal amount from a later payment), including disputes in respect of an error in an invoice or an amount paid. If SARS withholds any such amount:

17.1.1. SARS will promptly notify the Service Provider that it is disputing such Fees; and;

- 17.1.2. The Parties will promptly address such dispute in accordance with Clause 44 of the Agreement.
- 17.2. If the dispute relates to (or is equal to (in the case of disputed Fees that have already been paid by SARS)) only certain of the Fees included on an invoice, then SARS will pay the undisputed amounts in accordance with the provisions of RFP.
- 17.3. If an invoice is identified as incorrect by SARS, the Service Provider will either (i) issue a correct invoice if the amount stated on the invoice has not yet been paid; or (ii) make a correction on the next invoice if the amount has been paid by SARS, provided however, that the Service Provider will refund any overpayments with interest calculated at the Repo Rate for the number of days from the date of SARS's payment to the date of the refund. SARS will not be responsible for paying interest on undercharged amounts, if any.
- 17.4. For the avoidance of doubt, the Parties record and agree that the Service Provider shall not be entitled to suspend or interrupt the provision of the Services until the dispute is resolved by the Parties and such resolution is recorded in writing.

## **18. SERVICE PROVIDER OBLIGATIONS TO REDUCE COSTS**

- 18.1. In consultation with SARS, the Service Provider will continuously investigate methods to reduce the Fees whilst maintaining Performance Standards.
- 18.2. Without limiting the generality of its obligations under Clause 18.1 above, the Service Provider will:
- 18.2.1. use Commercially Reasonable Efforts to identify methodologies, processes, solutions, and technologies that SARS or the Service Provider may employ to reduce consumption, costs and to claim applicable discounts;
- 18.2.2. Model the effect of the methodologies, processes, solutions and technologies at various levels and mixes of consumption; and

- 18.2.3. periodically report (but no less frequently than quarterly) on such efforts and make recommendations to SARS regarding the steps SARS, the Service Provider or both may take to reduce the Fees.

## **19. SARS'S RIGHTS AND OBLIGATIONS**

19.1. SARS undertakes to:

- 19.1.1. furnish the Service Provider with any relevant information necessary for the Service Provider to perform the Services in compliance with the terms and conditions of this Agreement.
- 19.1.2. ensure that a SARS's Personnel required for training are available during training days.

## **20. INTELLECTUAL PROPERTY RIGHTS**

20.1. **SARS Intellectual Property:**

- 20.1.1. SARS retains all right, title and interest in and to the SARS Intellectual Property. As of the Effective Date, the Service Provider is granted a non-exclusive licence for the Term, to perform any lawful act including the right to use, copy, maintain, modify, enhance and create derivative works of SARS Intellectual Property (including source code materials, programmer interfaces, available documentation, manuals and other materials to the extent necessary for the use, modification, or enhancement thereof) for the sole purpose of providing the Deliverables and/or Services to SARS. The Service Provider will not be permitted to use SARS Intellectual Property for the benefit of any entities other than SARS without a signed written consent of SARS, which may be withheld at SARS's sole discretion. Except as otherwise requested or approved by SARS, which approval will be at SARS's sole discretion, the Service Provider will cease all use of SARS Intellectual Property as of the termination or expiration date of this Agreement.

**20.2. Intellectual Property developed during the Term:**

- 20.2.1. SARS will have all right, title and interest in all Intellectual Property developed or generated for SARS in the course of supplying the Deliverables and/or Services (“**Developed Intellectual Property**”).
- 20.2.2. The Service Provider hereby irrevocably assigns, transfers and conveys to SARS without further consideration all of its right, title and interest in such Developed Intellectual Property.
- 20.2.3. The Service Provider hereby grants SARS (subject to payment of all fees regarding the Developed Intellectual Right), all rights, title and ownership to the Developed Intellectual Property and to perfect such title, the Service Provider undertakes to:
- 20.2.3.1.** execute any documents or take any other actions as may be reasonably necessary, or as SARS may request in writing, to cede and assign such Developed Intellectual Property in order to vest all rights, title and ownership thereto, to SARS; and
  - 20.2.3.2.** not to claim any such rights, title, and ownership in such work whether during and/or after the expiry of this Agreement for any reason whatsoever.

**20.2.4.** Unless otherwise agreed, where Developed Intellectual Property incorporates the Service Provider/Licensor Intellectual Property and/or systems, and processes that Service Provider/Licensor did not develop in the course of supplying Deliverables and/or Services under the Agreement, the Service Provider/Licensor hereby grants SARS an irrevocable, perpetual, world-wide, fully paid-up, royalty-free, non-exclusive licence for SARS including SARS Personnel to perform any lawful act, including the right to use, copy, maintain, modify, enhance and create derivative works of such Service Provider/Licensor Intellectual Property insofar as it forms part of the Developed Intellectual Property (“**SARS’s License**”).

**20.3. The Service Provider Intellectual Property:**

20.3.1. Subject to Clause 20.2.3.2, the Service Provider retains all right, title and interest in and to Service Provider/Licensor Intellectual Property that is used in connection with the deliverables and/or Services. The Service Provider/Licensor grants to SARS an irrevocable, perpetual, fully paid-up, royalty-free, non-exclusive licence for SARS to receive and realise the benefit of the Deliverables and/or Services during the Term and during the Disengagement Assistance Period (“**SARS Licence**”).

**20.4. Third Party Intellectual Property:**

20.4.1. The Service Provider will neither, for the Term, incorporate any Third-Party Intellectual Property into any Developed Intellectual Property nor introduce into SARS's environment any Third-Party Intellectual Property without first obtaining SARS's written consent thereto. The Service Provider will be responsible for obtaining a licence on behalf of SARS, at Service Provider's cost and in SARS's name, to use such Third-Party Intellectual Property from the Third Party. The Service Provider is required to supply the Deliverables and Services in accordance with the Service Levels notwithstanding any decisions by SARS to withhold its consent to the use of Third-Party Intellectual Property and/or failure to assist in procuring the required consents.

**20.5. Use of Third-Party Intellectual Property licensed to SARS:**

20.5.1. The Service Provider will not, without SARS's express prior written consent, use any Third-Party Intellectual Property licensed to SARS whether to provide the Deliverables and/or Services to SARS or for any other purpose whatsoever. The Service Provider acknowledges that such unauthorised use of Third-Party Intellectual Property licensed to SARS may constitute a breach of the provisions of the licence agreement/s in terms of which such Third-Party Intellectual Property is licensed to SARS. Should consent be granted to the Service Provider to use Third Party Intellectual Property licensed to SARS, the Service Provider undertakes that it will only use such Intellectual Property strictly in accordance with the provisions of the relevant consent. The Service Provider is required to perform the Services in accordance with the Service Levels, notwithstanding any decisions by SARS to withhold its consent.

**21. CONFIDENTIAL UNDERTAKING**

21.1. The Parties shall ensure that prior to commencing the performance of the Services all the Service Provider Personnel involved in the rendering of the Services, sign the SARS Oath of Secrecy and submit the original thereof to SARS for record keeping purposes.



- 21.2. The Service Provider undertakes that for the duration of this Agreement and after the expiration or earlier termination of this Agreement for any reason, it will keep confidential all SARS's Confidential Information. This includes the knowledge acquired by the Service Provider Personnel as a result of the work performed by the Service Provider in terms of this Agreement and which by its nature, is intended to be kept confidential.
- 21.3. The Parties agree that no trade and/or business secrets, Confidential Information or methods of work supplied by one Party to the other shall be disclosed to any third party, without first obtaining the written consent of the other Party, unless required by law or competent court or Authority.
- 21.4. The Service Provider specifically acknowledges that all information relating to the Services, including and not limited to, literary works produced thereunder are of a sensitive nature and must be kept confidential. The Service Provider undertakes not to disclose such information without first obtaining the written consent of SARS unless required by law or competent court.
- 21.5. If the Service Provider is uncertain about whether information is to be treated as confidential in terms of this Clause, it shall be obliged to treat it as such until advised otherwise, in writing, by SARS.
- 21.6. The Service Provider will protect the interests of SARS in its Confidential Information by:
- 21.6.1. making available such Confidential Information only to the Service Provider Personnel who are actively involved in the execution of its obligations under this Agreement and then only on a "need to know" basis;
  - 21.6.2. putting in place internal security procedures in accordance with current industry standards and/or Applicable Law to prevent unauthorised disclosure and taking all practical steps to impress upon those personnel who need to be given access to Confidential Information, the secret and confidential nature thereof;

- 21.6.3. using the Confidential Information only for the purposes of and to the extent necessary for the Service Provider to comply with its obligations under this Agreement. In particular, the Service Provider shall not use the Confidential Information for the purpose of updating, supplementing or verifying its own data bases;
- 21.6.4. not using any Confidential Information of SARS, or disclosing directly or indirectly any Confidential Information of SARS to third parties, whether during this Agreement or thereafter, unless required by law;
- 21.6.5. notifying SARS promptly of any unauthorised or unlawful use, disclosure and/or Processing (as defined by POPIA) of the Confidential Information of which the Service Provider becomes aware;
- 21.6.6. deleting or returning (at the request of SARS) the Confidential Information as may be required by SARS, without keeping copies thereof, immediately upon first written demand for deletion or the return thereof by SARS, whether or not the Service Provider has completed the provision of the Services in respect of any such Confidential Information, and in any event promptly after the use thereof in the provision of the Services;
- 21.6.7. providing reasonable evidence of the Service Provider's compliance with its obligations under this Clause 20.6.7 to SARS on reasonable notice and request; and
- 21.6.8. ensuring that all Confidential Information of SARS which has or will come into the possession of the Service Provider and its personnel, will at all times remain the sole and absolute property of SARS.
- 21.7. The unauthorised disclosure by the Service Provider of the Confidential Information to a third party may cause irreparable loss, harm, and damage to SARS, and may lead to criminal sanction. As such, the Service Provider indemnifies and holds SARS harmless against all Losses and any action, or damage, of whatever nature, suffered or sustained by the SARS pursuant to a breach by the Service Provider of provisions of this Clause 21.

21.8. No announcements of any nature whatsoever will be made by or on behalf of a Party relating to this Agreement without the prior written consent of the other Party.

21.9. The provisions of this Clause 21 shall survive the termination or cancellation of this Agreement for any reason whatsoever.

## 22. SARS PREMISES

22.1.1. SARS shall make available to Service Provider during the Term the Premises and sites specifically described or comparable space, but only to the extent required for Service Provider to perform the Services under this Agreement (collectively, the '**SARS Premises**').

22.1.2. Service Provider's use of the SARS Premises (including Service Provider's use of any furnishings, telephonic hardware, and computer hardware made available to Service Provider) shall not constitute a lien over such SARS facilities in favour of Service Provider or any other customer of Service Provider.

22.1.3. SARS shall manage and maintain the SARS Premises at the level it did immediately prior to the Effective Date including managing and maintaining electrical systems, water, sewer, lights, HVAC systems, physical security services and general custodial/landscape services at such levels. If SARS is the lessee for any SARS Premises, SARS shall be responsible for rental payments to the lessor under the underlying lease.

22.1.4. Service Provider may use the SARS Premises only to perform Services for SARS and only in terms of the following:

22.1.4.1. Service Provider shall use the SARS Premises in a reasonably efficient manner. To the extent that Service Provider uses the SARS Premises in a manner that unnecessarily increases facility costs incurred by SARS, Service Provider shall reimburse SARS for the increased facility costs, including utility costs.

- 22.1.4.2. Service Provider shall comply with SARS's standard policies and procedures as made available to Service Provider from time to time regarding access to and use of the SARS Premises, including procedures for the physical security of the SARS Premises. Without limiting the generality of the foregoing, Service Provider shall keep the SARS Premises in good order, not commit or permit waste or damage to such Premises, and not use such Premises for any unlawful purpose or act.
- 22.1.4.3. Service Provider shall be responsible for any damage to the SARS Premises resulting from the abuse, misuse, neglect or gross negligence of Service Provider (including its employees, agents and Subcontractors) or other failure to comply with its obligations in respect of the SARS Premises.
- 22.1.4.4. Service Provider shall permit SARS (including its agents and representatives) reasonable access to the SARS Premises to perform facilities-related services and inspections. Otherwise, neither Service Provider nor SARS shall permit SARS employees to access Service Provider space within SARS Premises or Service Provider Hardware housed therein other than in the case of an emergency.
- 22.1.4.5. The Service Provider shall not make any changes to the SARS Premises without SARS's approval. SARS reserves the right to give or withhold such approval in its sole discretion. Any such changes shall be done at the Service Provider's expense. Severable improvements shall belong to the Service Provider, and non-severable improvements shall belong to SARS.
- 22.1.4.6. When any of the SARS Facilities are no longer required for the performance of the Services, Service Provider shall return such facilities to SARS in substantially the same condition as

when Service Provider began use of such Premises, subject to reasonable wear and tear.

## 22.2. Service Provider Premises.

22.2.1. Service Provider is responsible for providing at its own expense any space it requires other than the SARS Premises. Service Provider may not use Premises outside of South Africa to perform any Services unless it obtains SARS's prior approval, which approval may be given or withheld in its sole discretion.

22.2.2. Service Provider shall maintain and enforce, at the Service Provider Premises, safety and physical security procedures that are at least equal to the highest of the following: (i) the procedures required to meet Service Provider's obligations under this Agreement (e.g., its obligation to protect SARS Data from unauthorised access); (ii) industry standard procedures for locations similar to the Service Provider's locations; (iii) SARS's procedures applicable to similar locations as of the Effective Date; (iv) Service Provider's procedures applicable to similar locations, as such procedures may change from time to time;

22.2.3. Service Provider shall provide all other resources including facilities, personnel and hardware required for Service Provider to perform the Services in terms of the Agreement (including the Performance Standards) at whatever volumes are from time to time required by SARS.

22.2.4. With respect to any Assets acquired by Service Provider from a Third Party Supplier on a Pass Through Expense Basis: (a) such Assets shall be acquired in SARS name and on SARS behalf; (b) SARS shall grant to Service Provider (subject to Service Provider having obtained any Required Consents if such Hardware is leased) for the sole purpose of performing the Services, the same rights of access to, and use of, such Hardware that SARS has with respect to such Hardware; and (b) Service Provider shall be responsible for such Assets during the Term to the same

extent as if Service Provider were the owner or lessee (as applicable) of such Hardware.

**22.3. Use of Resources.**

Service Provider shall use the resources or services as necessary to provide the Services in an efficient manner.

**22.4. No SARS Representations and Warranties Regarding Resources.**

22.4.1. SARS makes no representations and warranties regarding the Supported Assets it owns, leases or licenses from Third Parties, or the SARS Premises (collectively, the '**SARS Assets**'). Accordingly, SARS:

22.4.1.1. shall make the Supported Assets it owns, leases or licenses from Third Parties available to Service Provider on an 'as is, where is' basis, with no warranties whatsoever, including with respect to the condition, state of repair, quality, fitness for a particular purpose or merchantability thereof; and

22.4.1.2. shall make the SARS Premises (including any furnishings, telephonic hardware, and computer hardware that SARS may make available to Service Provider) available to Service Provider on an 'as is, were is' basis, with no warranties whatsoever, including with respect to the condition, state of repair, quality, or fitness for a particular purpose.

**23. RISK AND OWNERSHIP OF THE HARDWARE.**

23.1. The Hardware supported shall at all times be and remain the sole property of the Service Provider throughout the Term and all right title and interest shall vest in the Service Provider.

23.2. The Service Provider shall accept all risk of damage and /or loss arising out of or resulting from the provision and/ or utilisation of the Hardware in connection with the rendering of the Services to SARS by its employees, contactors, representatives, agents, invitees and or sub-contractors and its operations in terms of this Agreement, whether to itself and /or its sub-contractors, representatives, invitees, Service Providers or employees or to any of its and or their property.

23.3. In event of loss or damage to the Kiosk Hardware, caused by the Service Provider's negligence, omission and / or wilful misconduct, the Service Provider will replace the Hardware at no additional cost to SARS and under the same pricing and terms, including the same end date of Kiosk hardware Term as the Hardware being replaced. The Service Provider undertakes to provide SARS with replacement Hardware, which Hardware will be similar with at the same or better specifications to the Hardware being replaced, which shall be within the agreed times installation times as set out in **Schedule A (Service Levels)**.

## 24. DATA PROTECTION

- 24.1. The Service Provider acknowledges that in the course of the provision of the Services it may become privy to SARS's Confidential Information.
- 24.2. To the extent that the SARS's Confidential Information needs to be stored on the Service Provider's information technology systems, the Service Provider shall take appropriate technical safeguards and organisational measures and/or measures prescribed by POPIA and/or applicable Data Protection Legislation (where applicable), SARS Act and/or Applicable Laws against unauthorised access to, unlawful Processing, accidental loss, destruction or damage of the SARS's Confidential Information and shall provide SARS, with reasonable evidence of the Service Provider's compliance with its obligations under this Clause **Error! Reference source not found.** on reasonable notice and request.
- 24.3. The Service Provider shall institute and operate all necessary back-up procedures to its information technology systems to ensure that, in the event of any information system malfunction or other loss of SARS's Confidential Information can be recovered promptly and that the integrity thereof and any database containing such material can be maintained.
- 24.4. The Service Provider shall ensure that all SARS's Confidential Information and Personal Information provided to it by SARS in order to render the Services is stored separately and isolated from data and property relating to the Service Provider or any third party (including any other entity with whom the Service Provider may conduct business) in accordance with the POPIA, SARS Act and the Applicable Laws.
- 24.5. The security measures to be taken by the Service Provider in terms of Clause **Error! Reference source not found.** must –



- 24.5.1. not be less rigorous than the security safeguards, measures and practices generally maintained by SARS in respect of its data (and as communicated by SARS to the Service Provider), or maintained by the Service Provider with respect to its own confidential information of a similar nature and/or as prescribed by the Applicable Laws, POPIA and/or Data Protection Legislation; and
- 24.5.2. enable SARS and the Service Provider to conform to the Applicable Law, including:
  - 24.5.2.1. Data Protection Legislation;
  - 24.5.2.2. the Electronic Communications and Transactions Act, 2002 (Act No 25 of 2002); and
  - 24.5.2.3. the Tax Acts.
- 24.6. The Service Provider hereby indemnifies and holds SARS harmless against all Losses incurred by SARS as a result of any breach by the Service Provider of the provisions of this Clause 24.

## **25. PROCESSING OF PERSONAL INFORMATION**

- 25.1. Without limiting any other provision of this Agreement, the Service Provider shall only store, copy or use any Personal Information disclosed to it by SARS pursuant to the Agreement to the extent necessary to perform its obligations under this Agreement and subject to the Privacy and Data Protection Requirements and/or Data Privacy Legislation binding on SARS and/or Service Provider.
- 25.2. If at any time the Service Provider suspects or has a reason to believe that Personal Information disclosed to it by SARS pursuant to this Agreement has or may become lost or corrupted in any way for any reason then, the Service Provider shall immediately notify SARS thereof what remedial action it proposes to take, if any, aligned with the relevant conditions of POPIA and/or where applicable the Data Privacy Legislation.

25.3. The Service Provider agrees that, in regard to the Personal Information, it shall:

- 25.3.1. only Process the Personal Information subject to the Privacy and Data Protection Requirements and in accordance with written instructions from SARS and supported by written consent from a Data Subject, (which may be specific instructions or instructions of a general nature limited to the specific purpose (as prescribed by Condition 1 of POPIA “**the Lawful Purpose**”), as set out in the Agreement or as otherwise notified by SARS to the Service Provider from time to time);
- 25.3.2. not otherwise modify, amend or alter the contents of the Personal Information or disclose or permit the disclosure of any of the Personal Information to any third party unless authorised in writing by SARS and where required, the Data Subject and limited to the Lawful Purpose, being carrying out duties in relation to the performance of the Services;
- 25.3.3. not maintain records of the Personal Information for longer than it is necessary in order for the Service Provider to comply with its obligations under the Agreement, unless retention thereof for a longer period is required by the Applicable Laws, POPIA and where applicable, Data Privacy Legislation or as requested in writing by SARS;

- 25.3.4. implement appropriate technical safeguards and organisational measures to protect the Personal Information against unauthorised access or unlawful Processing and against accidental loss, destruction, damage, alteration or disclosure in accordance with Condition 7 of POPIA and/or relevant provisions of the Data Privacy Legislation and shall further ensure Service Provider Personnel comply in all respect with the technical safeguard and organisation measures implemented by the Service Provider or SARS to protect the Personal Information against unauthorised access or unlawful Processing, accidental loss, destruction, damage, alteration or disclosure as prescribed by the aforesaid Condition 7 of POPIA to Personal Information and to the nature of the Personal Information which is to be protected;
- 25.3.5. keep all Personal Information and any analyses, profiles or documents derived therefrom separate from all other data and documentation of the Service Provider;
- 25.3.6. Process the Personal Information in accordance with Privacy and Data Protection Requirements and/or requirements prescribed by Data Privacy Legislation where binding on SARS as the Responsible Party; and
- 25.3.7. co-operate as requested by SARS to enable SARS to comply with or exercise rights of Data Subject under POPIA and/or Data Privacy Legislation if binding of SARS in respect of Personal Information Processed by the Service Provider and/or Service Provider Personnel under the Agreement or comply with any assessment, enquiry, notice or investigation under the SARS Act, POPIA or Applicable Law which shall include the provision of all data requested by SARS within the timescale specified by SARS in each case, subject to compliance by SARS with POPIA.

25.4. The Service Provider shall provide co-operation in any investigation relating to security which is carried out by or on behalf of SARS, including providing any information or material in its possession or control, provided that SARS gives its reasonable notice of its intention to carry out such an investigation.

25.5. The Service Provider hereby indemnifies and holds SARS harmless against all Losses incurred by SARS as a result of any Personal Information Breach by the Service Provider and/or breach of any of the provisions of this Clause 25.

## **26. PROTECTION OF PERSONAL INFORMATION**

26.1. Each Party shall comply with its obligations under POPIA in respect of Personal Information collected and/or Processed in connection with the Agreement and the Services.

26.2. Each Party shall only provide, collect and/or Process the Personal Information:

26.2.1. in compliance with POPIA and where binding on a Party;

26.2.2. as is necessary for the purposes of this Agreement and the Services;

26.2.3. for maintaining its internal administrative processes, including quality, risk, client or vendor management processes;

26.2.4. for internal business-related purposes; and

26.2.5. in accordance with the lawful Purpose and reasonable instructions of SARS as the Responsible Party.

26.3. Both Parties shall:

- 26.3.1. in dealing with the Personal Information either as the Responsible Party, Operator comply with the specific security safeguards or measures set out in Condition 7 of POPIA and data protection obligations imposed on them in terms of POPIA or Applicable Laws; and/or
- 26.3.2. where applicable, comply with the specific obligations imposed on them in terms of POPIA and/or where applicable, Legislation in respect of the specific role they fulfil either as the Operator or Responsible Party in terms of providing the Services as agreed between the Parties;
- 26.3.3. take, implement and maintain all such technical and organisational security procedures and measures as prescribed by Condition 7 of POPIA and/or relevant articles of Data Privacy Legislation where applicable, necessary or appropriate to preserve the security and confidentiality of the Personal Information in its possession and to protect such Personal Information against unauthorised or unlawful collection, disclosure, access or Processing, accidental loss, destruction or damage.
- 26.4. No Personal Information of the Data Subject shall be collected, Processed and/or shared with any other third party without obtaining written consent of the Responsible Party supported by the Data Processing Agreement signed with the Responsible Party.
- 26.5. Neither the Service Provider in line with their role as the Operator shall be entitled to Process the Personal Information with any other third party except for the Service Provider Personnel (subject to signing of the Data Processing Agreement by Responsible Party), where necessary in order to protect the legitimate interests of any of the Parties, Data Subject or in connection with this Agreement and the Services.

- 26.6. The Service Provider may notify SARS about important developments, proposals and services which it thinks may be relevant to SARS for Service improvement etc., however, the Service Provider undertakes for the Term, not to use or Process the Personal Information to send business offering to SARS and/or Data Subject including newsletters, invitations to seminars and similar marketing material or other communications from the Service Provider.
- 26.7. Electronic communications between the Service Provider and SARS (limited only where the Service Provider Personnel are using the Service Provider's resources), may be monitored by the Service Provider to ensure compliance with its professional standards and internal compliance policies pertaining to this Agreement and not for any other purpose.
- 26.8. Electronic communications between SARS and the Service Provider and SARS Personnel (limited only where the Service Provider Personnel are using SARS's resources), may be monitored by SARS to ensure compliance with its professional standards and internal compliance policies pertaining to this Agreement and not for any other purpose.
- 26.9. The Service Provider shall not Process the Personal Information to:
- 26.9.1. an outsourced information technology service provider; or
  - 26.9.2. another country, including the use of cloud-based solutions (unless those solution are approved by SARS and compliant with POPIA); or
  - 26.9.3. an Affiliate;
- without prior written consent of SARS or existing Data Processing Agreement.

- 26.10. Where consent has been granted in terms of Clause **Error! Reference source not found.** above, the Service Provider undertakes in relation to Clauses **Error! Reference source not found.** and **Error! Reference source not found.** and for the Term as the Operator, to require that any third party, outsourced service provider, foreign legal entity or other Affiliate involved in the Processing or storage of Personal Information, to ensure that such Personal Information is protected with the same Best Industry Practices and/or protection as is required in terms of Clause **Error! Reference source not found.** and the provision of the POPIA Act and/or Data Legislation binding on it (where applicable).
- 26.11. The Service Provider in their role as Operator shall be held accountable for Personal Information further Processed by the Service Provider Personnel for the purposes set out in the Agreement irrespective.
- 26.12. SARS as the Responsible Party warrants that it has obtained written consent from all applicable Data Subjects for the Processing or transfer of such Data Subjects' Personal Information whenever this is required for purposes of this Agreement and the Services.
- 26.13. The Service Provider represents and warrants in favour of SARS that:
- 26.13.1. it has used reasonable measures to ensure POPIA compliance by the Service Provider Personnel when at its offices or assigned to customers on a project basis which measures includes, POPIA training and awareness; and
  - 26.13.2. it has establishment POPIA compliance programme to manage and maintain POPIA compliance.

## 27. AUDITS

### 27.1. Audit Rights:

- 27.1.1. The Service Provider will maintain a complete audit trail of financial and non-financial transactions resulting from the provision of the Services (the “**Transactional Information**”). Where SARS requires to audit the Transactional Information, the Service Provider will provide SARS with access to such Transactional Information including personnel, data, records and documentation relating thereto for the purpose of performing audits and inspections of the Transactional Information to: (i) verify the accuracy of the Service Provider’s Fees and invoices; (ii) verify the accuracy of payments by SARS or credits from the Service Provider; (iii) verify the accuracy of price changes to the extent such changes are determined by reference to Service Provider’s costs or changes thereto;
- 27.1.2. The Service Provider will maintain complete records of Service Provider accreditation qualifications (the “**Technical Information**”) submitted as proof of Service Provider’s ability to provide the Services. Where SARS requires to audit the Technical Information, the Service Provider will provide SARS with access to such Technical Information including personnel, data, records and documentation relating thereto for the purpose of performing audits and inspections of the Technical Information to: (i) verify the accuracy of the Service Provider’s Personnel’s accreditation, qualification and/or experience; (ii) examine the Service Provider’s performance of the Services, including verifying compliance with the Best Industry Standards; (vi) verify compliance with the terms of the Agreement; (vii) satisfy the requirements of any Applicable Law.
- 27.1.3. SARS reserves the right to appoint a third party to perform an audit under this Clause 26 and the Service Provider will provide to the auditors, inspectors and regulators such assistance as they may require. Unless SARS has a good faith suspicion of fraud, SARS will provide the Service Provider with reasonable notice for audits.



27.1.4. All costs incurred by SARS in performing audits of the Service Provider will be borne by SARS unless any such audit reveals a material inadequacy or material deficiency in respect of the Services including compliance with the relevant Applicable Laws, in which event the cost of such audit will be borne by Service Provider.

27.1.5. If an audit reveals an overcharge, the Service Provider will promptly refund the overcharge plus interest at Repo Rate, from the date of payment of the overcharge through the date the overcharge is refunded by Service Provider.

**27.2. Audit Follow-Up:**

27.2.1. Following an audit or examination, SARS or its external auditors will meet with the Service Provider to obtain factual concurrence with issues identified in the audit or examination.

27.2.2. Within 10 (ten) Business Days following the provision to the Service Provider of the findings of an audit, whether by way of a meeting or the delivery of the audit report by the auditors, or an audit report by the Service Provider's auditors, the Service Provider will provide SARS with a plan ("**Audit Response Plan**") to address shortcomings or deficiencies raised in such audit findings attributable to the Service Provider. The Audit Response Plan will identify the steps that the Service Provider will take to remedy such shortcomings and deficiencies and include a completion date for such steps detailed in the Audit Response Plan. With SARS approval, the Service Provider will implement such Audit Response Plan at the Service Provider's cost and expense. If required and agreed between the Service Provider and SARS, the Service Provider will report monthly to SARS on the status of the implementation of any Audit Response Plan. Failure to complete the Audit Response Plan on or before the completion date included in such Audit Response Plan will be deemed to be a material breach of the Agreement.

27.2.3. The Service Provider will promptly make available to SARS the results of any reviews or audits conducted by the Service Provider, its Affiliates agents or representatives (including internal and external auditors) to the extent such findings reflect conditions and events relating to the Services.

27.2.4. Promptly after the issuance of any audit report or findings issued under Clause **Error! Reference source not found.** the Parties will meet to review such report or findings and to agree on how to respond to the suggested changes.

## 28. BREACH

27.1. A Party (the "**Aggrieved Party**") may terminate this Agreement if the other Party (the "**Defaulting Party**") commits a material breach of this Agreement and fails to remedy such breach within 10 (ten) Business Days (the "Notice Period") of being notified of the breach and, if the Aggrieved Party so elects, the steps required to remedy such breach.

27.2. For the purposes of Clause 27.1 a breach will be deemed to be a material breach if :-

27.2.1. it is capable of being remedied, but is not so remedied within the Notice Period; or

27.2.2. it is incapable of being remedied within the Notice Period; or

27.2.3. if payment in money will compensate for such breach, but payment is not made within the Notice Period; or

27.2.4. the Service Provider commits numerous, repeated breaches even if cured; or

27.2.5. at any time, SARS experiences non-performance, alternatively mal-performance from the Service Provider relating to the execution of its duties and obligations in terms of this Agreement.

## 28. INDEMNITIES

- 28.1. Without in any way detracting from the rights of SARS in terms of this Agreement, the Service Provider hereby indemnifies and holds SARS harmless from any and all Losses which may be suffered as a result of any breach of the warranties included in the provisions of this Agreement by the Service Provider or Service Provider Personnel.
- 28.2. In addition to any other remedy available to SARS, the Service Provider agrees to indemnify in full and on demand and to keep SARS so indemnified from and against all claims, demands, actions, proceedings and all Losses, which are made or brought against or incurred or suffered by SARS resulting from:
- 28.3. any or action arising from the Service Provider's breach of any obligation with respect to Confidential Information and/or Personal Information; and/or.
- 28.4. any claim, action, or demand by a Third Party that the use by SARS of the Hardware and its related Documentation supplied by the Service Provider infringes the Intellectual Property rights of that Third Party.

## 29. INSURANCE AND RISK OF LOSS

### 29.1. Insurance Risk

- 29.1.1. Service Provider shall during the Term have and maintain in force adequate insurance coverage that is satisfactory to SARS and in accordance with such values as have been agreed to between the Parties, including the specific types of insurance listed below at the specified minimum levels of cover:

- 29.1.2. General Public Liability which insurance shall have a minimum limit of R500 000 000 (five hundred million rand) in respect of each and every loss and unlimited for any one period of insurance;
- 29.1.3. Incidental Medical Malpractice which insurance shall have a minimum limit of R500 000 000 (five hundred million rand) in respect of each and every loss and in the aggregate for any one period of insurance;
- 29.1.4. Products Liability/Defective Workmanship/Gratuitous Negligent Advice which insurance shall have a minimum limit of R500 000 000 (five hundred million rand) in respect of each and every loss and in the aggregate for any one period of insurance.
- 29.1.5. Contractual Liability which insurance shall have a minimum limit of R500 000 000 (five hundred million rand) in respect of each and every loss and in the aggregate for any one period of insurance.
- 29.1.6. Employers Liability-SA only (Includes employee to employee) which insurance shall have a minimum limit of R500 000 000 (five hundred million rand) in respect of each and every loss and unlimited for any one period of insurance.
- 29.1.7. Employee to Employee Liability-SA only, which insurance shall have a minimum limit of R500 000 000 (five hundred million rand) in respect of each and every loss and in the aggregate for any one period of insurance.
- 29.1.8. Contractors Liability which insurance shall have a minimum limit of R500 000 000 (five hundred million rand) in respect of each and every loss and in the aggregate for any one period of insurance.
- 29.1.9. Pure Financial Loss which insurance shall have a minimum limit of R30 000 000 (thirty million rand) in respect of each and every loss and in the aggregate for any one period of insurance.

- 29.1.10. Inefficacy which insurance shall have a minimum limit of R500 000 000 (five hundred million rand) in respect of each and every loss and in the aggregate for any one period of insurance.
- 29.1.11. Professional Indemnity which insurance shall have a minimum limit of R50 000 000 (fifty million rand) in respect of each and every loss and in the aggregate for any one period of insurance.
- 29.1.12. Director and Officers which insurance shall have a minimum limit of R325 000 000 (three hundred and twenty-five million) in respect of each and every loss and in the aggregate for any one period of insurance.
- 29.2. Service Provider shall during the Term maintain or have in place insurance cover:
- 29.2.1. The foregoing insurance covers shall be primary and non-contributing with respect to any other insurance or self-insurance that may be maintained by SARS.
- 29.2.2. To the extent any coverage is written on a claims-made basis, it shall have a retroactive date prior to the Effective Date and shall allow for reporting of claims for at least twelve months after the Term.
- 29.2.3. Service Provider shall cause its insurers to issue certificates of insurance evidencing that the covers and policy endorsements required under this Agreement are maintained in force and shall provide SARS current copies of such certificates.
- 29.2.4. Service Provider shall provide SARS at least 30 days' notice prior to any material modification, cancellation or non-renewal of the policies.
- 29.2.5. The insurers selected by Service Provider shall have an A.M. Best & Co. rating of not less than A-VIII or better or, if such ratings are no longer available, with a comparable rating from a recognised insurance rating agency, or to the extent insurance is procured in the Republic of South Africa, a comparable rating from a recognised insurance rating agency in South Africa.

29.2.6. In the case of loss or damage or other event that requires notice or other action under the terms of any insurance coverage set out in this Agreement, Service Provider shall be solely responsible to take such action. Service Provider shall provide SARS with contemporaneous notice and with such other information as SARS may request regarding the event.

29.2.7. Service Provider shall not be absolved of any of its obligations and liabilities under this Agreement by virtue of it having obtained the insurance required in this **Section 29**.

29.2.8. Service Provider shall be required to ensure that the insurance requirements and cover provided for in this clause also cover the acts and omissions of all its Subcontractors.

29.3. **SARS Right to Acquire Insurance in Certain Circumstances**

Without limiting the generality of SARS's rights and remedies hereunder, in the event of a failure by Service Provider to maintain any insurance required hereunder, or to provide evidence of renewal at least three Business Days prior to expiration, on three Business Days' notice to Service Provider, SARS may purchase the requisite insurance and deduct the costs thereof from any amounts owed to Service Provider under this Agreement.

### **30. TERMINATION**

- 30.1. If a Party commits a material breach of this Agreement and fails to remedy such breach within 7 (seven) Business Days of written notice requiring the breach to be remedied, then the Party giving the notice will be entitled, at its option, either to claim specific performance of the defaulting Party's obligations whether or not such obligations have fallen due for performance (with or without claiming damages) or to cancel this Agreement (with or without claiming damages) in which case the cancellation will take effect on the date of the notice.
- 30.2. If the Service Provider fails to adhere to any legal requirement or breaches the provisions of Clause 30.1 above and/or any term or condition of any licence, authorisation or consent required for the provision of the Services and which failure or breach SARS, in its sole discretion, considers to be detrimental to SARS, then SARS will be entitled, but not obliged, to immediately terminate this Agreement on written notice to the Service Provider, in which event such termination will be without any liability to SARS and without prejudice to any claims which SARS may have for damages against the Service Provider.
- 30.3. A Party's remedies in terms of this Clause 31 are without prejudice to any other remedies to which such Party may be entitled in law.

### **31. TERMINATION FOR CONVENIENCE**

- 31.1. SARS may terminate this Agreement for convenience and without cause at any time by giving the Service Provider at least 90 (ninety) days prior written notice designating the termination date. SARS will have no liability to the Service Provider with respect to any such termination.

## **32. TERMINATION FOR CAUSE**

32.1. SARS may by giving notice to the Service Provider, terminate this Agreement in whole or in part, as of a date set out in the notice of termination, in the event that the Service Provider commits a material breach of this Agreement or:

32.1.1. is placed under voluntary or compulsory liquidation (whether provisional or final) or business rescue proceedings are commenced against the Service Provider; and/or

32.1.2. commits an Acts of Insolvency.

32.2. Notwithstanding Clause 32.1 above, SARS may terminate this Agreement, in whole or in part, in the event that SARS is unable to obtain funding to procure the Services.

## **33. TERMINATION UPON SALE, ACQUISITION, MERGER OR CHANGE OF CONTROL**

33.1. In the event of a sale, acquisition, merger, or other change of Control of the Service Provider where such Control is acquired, directly or indirectly, in a single transaction or series of related transactions, or in the event of a sale of all or substantially all of the assets of the Service Provider in a single or series of related transactions, then SARS may terminate this Agreement by giving the Service Provider at least 90 (ninety) days prior notice and designating a date upon which such termination will be effective. SARS will have no liability towards the Service Provider with respect to such termination save for the settlement of any outstanding fees for the Services rendered as at the date of termination.

## **34. EFFECT OF TERMINATION**

34.1. The termination of this Agreement will not relieve the Parties hereto of any liabilities, obligations, expenses or charges accruing up to date of such termination and all rights accruing to either Party to the said date of termination will likewise remain in full force and effect.



### 35. TERMINATION/ DISENGAGEMENT ASSISTANCE

- 35.1. Commencing 6 (six) months prior to expiration of this Agreement, or commencing upon any notice of termination (including notice of a termination by Service Provider), and continuing through the effective date of expiration (as such effective date may be extended), or, if applicable, through the effective date of termination (as such effective date may be extended), and for up to 6 (six) months after such date, Service Provider shall provide to SARS, or at SARS's request to SARS's designee at no additional cost to SARS, such termination/disengagement assistance as SARS may reasonably request to facilitate the transition of the Services to SARS or its designee and, to the extent applicable, Hardware and Software, without material interruption or degradation of the Services (**'Disengagement Assistance'**). Disengagement Assistance shall include the obligations set forth in **Annexure C** (Disengagement Assistance).
- 35.2. Disengagement Assistance shall include the provision of all information and assistance requested by SARS and necessary to ensure the seamless transition of Services and functions being performed by Service Provider or its agents to SARS or its designee. Disengagement Assistance may include capacity planning, consulting services, facilities planning, telecommunications planning, generating machine readable listings of source code, uploading production databases, providing parallel processing, testing, and providing the assistance described in Annexure C (Disengagement Assistance).
- 35.3. At SARS's election, Service Provider shall sell to SARS some or all of the Hardware used primarily to provide the Services to SARS. Service Provider shall sell Hardware that SARS elects to purchase under this provision at the lesser of fair market value or Net Book Value; provided, however that SARS may at its election acquire such Hardware at no additional cost if it is terminating the Agreement for Convenience, for this purpose, fair market value shall be determined by a registered valuator reasonably designated by SARS.

- 35.4. SARS or its designee shall have the option exercisable on a contract-by-contract basis to assume contracts for any Services provided by Third Parties to Service Provider and used exclusively by Service Provider to provide Services to SARS. In the case of Third-Party Service Contracts used by Service Provider to provide Services to both SARS and to others, at SARS's option and exercisable on a contract-by-contract basis, Service Provider shall use Commercially Reasonable Efforts to arrange for the provision of the Services by the Third Party to SARS under terms at least as favourable as those in the Third-Party Service Contract.
- 35.5. At SARS election, the Service Provider shall assign to SARS some or all of the Hardware, Service Provider shall be responsible for obtaining, at its sole cost and expense, any required consents necessary for the assignment of the applicable lease.

## 36. FORCE MAJEURE

- 36.1. Delay or failure to comply with or breach of any of the terms and conditions of this Agreement by either Party if occasioned by or resulting from a Force Majeure Event or any other circumstances of like or different nature beyond the reasonable control of the Party so failing, will not be deemed to be a breach of this Agreement nor will it subject either party to any liability to the other. It is understood that neither Party will be required to settle any labour dispute against its will.
- 36.2. Should either Party be prevented from carrying out any contractual obligation by any circumstance described above, such obligation will be postponed provided the Party suffering such circumstance notifies the other Party to this Agreement within 7 (seven) days of becoming aware thereof. The Parties will thereupon promptly meet to determine whether an equitable solution can be found. If the event continues or is likely to continue for more than 30 (thirty) days, then SARS shall be entitled to terminate the Services by delivering a written notice to that effect to the Service Provider.

- 36.3. Should such Force Majeure Event last continuously for a period of 14 (fourteen) days, and no mutually acceptable arrangement is arrived at by the parties within a period of 7 (seven) days thereafter, either Party will be entitled to terminate the Agreement with immediate effect.

### **37. RECORDS RETENTION**

- 37.1. The Service Provider will maintain and provide SARS with access to the records, documents and other information required to meet SARS's audit rights under the Agreement until the later of: (i) 5 (five) years after expiration or termination of the Agreement; (ii) all pending matters related to the Agreement are closed; or (iii) such other period as required by Applicable Law.

### **38. CONSENTS AND APPROVALS**

- 38.1. Any approval, acceptance, consent or similar action required to be given by either Party in terms of this Agreement will, unless specifically otherwise stated or stated to be at the discretion of a Party, not be unreasonably withheld.
- 38.2. An approval, acceptance, consent or similar action by a Party (including of a plan or deliverable) under this Agreement will not relieve the other Party from responsibility for complying with the requirements of this Agreement, nor will it be construed as a waiver of any rights under this Agreement, except as and to the extent otherwise expressly provided in such written approval or consent. For example, where this Agreement sets forth a standard by which a plan is to be developed, the Service Provider will be responsible for complying with such requirement and will not be deemed to be relieved of it merely because SARS has approved such plan.

### **39. APPLICABLE LAW AND JURISDICTION**

- 39.1. This Agreement will be governed by and construed in accordance with the Law of the Republic of South Africa and all disputes, actions and other matters relating thereto will be determined in accordance with such law.
- 39.2. The Parties hereby irrevocably and unconditionally consent to the non-exclusive jurisdiction of the North Gauteng High Court, Pretoria in regard to all matters arising from this Agreement.

#### **40. LEGAL AND REGULATORY COMPLIANCE**

- 40.1. The Service Provider warrants that it is and will for the duration of this Agreement remain fully cognisant of and compliant with any relevant Applicable Laws (as may be amended from time to time in writing) and/or rulings or codes of practice of any competent Authority or industry body that has jurisdiction over the provision of or is relevant to the Deliverables and/or Services under this Agreement.
- 40.2. The Service Provider will, within 14 days (or any other period agreed by the Parties in writing) from the Effective Date, furnish SARS with copies of all regulated licences and/or accreditation (as specified in the RFP), and which are required by the Service Provider for the provision of the Services to SARS. The details of all licence terms and conditions and other obligations imposed on the Service Provider which are not contained in the Service Provider's licences must be furnished in writing by the Service Provider to SARS.

#### **41. WARRANTIES**

- 41.1. **The Service Provider Personnel:**

41.1.1. The Service Provider warrants that it will for the duration of this Agreement: (i) use adequate numbers of qualified staff with suitable training, accreditation, education, experience and skill to perform the Services; (ii) use and adopt any standards and processes required under this Agreement; and (iii) provide the Services with promptness and diligence and in a workmanlike manner and in accordance with the practices and high professional standards used in well-managed operations performing services similar to the Services.

**41.2. Intellectual Property warranties:**

41.2.1. The Service Provider warrants that it will at all times perform its responsibilities under this Agreement in a manner that does not infringe, or constitute an infringement or misappropriation of, any Intellectual Property or other proprietary rights of any Third Party.

**41.3. The Service Provider authority undertaking:**

41.3.1. The Service Provider warrants (for the duration of the Term of this Agreement), that it: (i) is the duly appointed distributor of the hardware in the Republic of South Africa during the subsistence of this Agreement; (ii) is authorised to procure the Products from OEM for rental on SARS's behalf and in SARS's name; (iii) is authorised to maintain and support the hardware; (ii) has all the necessary licences, certificates, authorisations and consents required under the laws of the Republic of South Africa or under any other applicable jurisdiction for the provision of the hardware and/or Services under this Agreement; (iii) will comply with all legal requirements and with the terms and conditions of all certificates, authorisations and consents required for the provision the Services; and (iv) will ensure that upon the date of delivery of the Services for use thereof by SARS at the Premises in which SARS takes receipt thereof will not breach any law or regulation of those territories or of the territory from which the Hardware were sourced.

- 41.3.2. Should the Service Provider, for whatsoever reason and at any time during the Term of this Agreement, no longer be appropriately accredited or authorised to provide the Services, the Service Provider will immediately inform SARS thereof in writing in which event, this Agreement may, at SARS's option, be terminated immediately or on such date as determined by SARS. The Service Provider will be required to repay any pre-paid amounts that SARS may have paid in respect of the Services.
- 41.3.3. The Service Provider warrants that it has a business continuity plan in place which will ensure that in the event, that the Service Provider ceases to provide the Services to SARS in terms of this Agreement (whether as a result of the Service Provider losing its accreditation or distributorship rights with OEM, as a result of the Service Provider ceasing to trade or going into liquidation or as a result of a material breach by the Service Provider of this Agreement), SARS (i) remains supported by the OEM in accordance with the terms of this Agreement or (ii) able to enlist a third party service provider (acceptable to SARS) to do so on its behalf, such that there is a minimal or no disruption in the Service provision to SARS. A copy of the Service Provider's business continuity plan is attached hereto as **Annexure "A."**

**41.4. Product Specific Warranties:**

41.4.1. The Service Provider warrants that the hardware and replacement hardware under this Agreement is rented out to SARS free from and clear of any liens, security interests or encumbrances of any nature; has been designed, manufactured, labelled, packaged, stored, exported and sold or leased by the Service Provider in accordance with all the applicable laws, regulations, rules and restrictions; and it is free from defects in material and workmanship under normal conditions of storage, handling and use, from acceptance of delivery of the hardware by SARS until the expiration date of the warranty period as per the OEM specification or termination of this Agreement, whichever occurs later.

41.4.2. In the event of a breach of this warranty, the Service Provider will immediately take all reasonable steps to remedy such breach or, if not possible, ameliorate the impact breach.

**41.5. The Service Delivery:**

41.5.1. The Service Provider represents and warrants that it shall for the duration of this Agreement: (i) use adequate numbers of qualified Service Provider Personnel with suitable training, education, experience and skill to perform the Services; (ii) use and adopt any standards and processes required under this Agreement; (iii) provide the Services with promptness and diligence and in a workmanlike manner and in accordance with the practices and high professional standards used in well-managed operations performing services similar to the Services; and (iv) provide and maintain such documentation as is authored by or on behalf of the Service Provider so that it: (a) accurately reflects the operations and capabilities of the hardware; (b) is accurate, complete and written in a manner easily understood by SARS; and (c) is promptly updated from time to time to reflect any changes.

**41.6. Security Clearance:**

- 41.6.1. Without limiting the generality of the foregoing, the Service Provider represents and warrants that it will ensure that the Service Provider Personnel engaged in the provision of the Services are suitable and pose no risk to SARS. Any member of the Service Provider Personnel who is engaged, or is to be engaged, in providing the Services must, if requested by SARS, comply with SARS's internal security clearance requirements, including submitting a security clearance certificate, failing which SARS shall be entitled to require the Service Provider to replace such member of the Service Provider Personnel with someone who does so comply. The Service Provider undertakes to indemnify SARS against any claims that may be brought by any of the Service Provider Personnel who may be affected as a result of SARS exercising its rights under this Clause.
- 41.6.2. As a confirmation that the Service Provider Personnel engaged to provide the Services are suitable and appropriately qualified, trained, experienced, skilled and available to render such services in terms of this Agreement including confirmation of such Service Provider Personnel's citizenship, criminal record status and/or credit worthiness, the Service Provider represents and warrants that it has conducted a background screening exercise on every member of the Service Provider Personnel whom is assigned to SARS for the fulfilment of its obligations in terms of this Agreement and shall if requested by SARS provide the report from a reputable screening agency which shall verify the following:
- 41.6.2.1. Citizenship including residency status;
  - 41.6.2.2. Criminal activity report; and
  - 41.6.2.3. Credit worthiness.



- 41.6.3. The Service Provider shall ensure that the validity of such report shall not be older than 3 (three) months as at the date of request or as at the commencement of such Service Provider Personnel duties to SARS in terms of this Agreement, as the case may be, and shall be updated as required by SARS from time to time.
- 41.6.4. In the event that the report reveals evidence that the Service Provider Personnel assigned to perform the Services are not qualified and/or do not possess the level of skills required for the performance of the Services, the Service Provider shall ensure a replacement of such member of the Service Provider Personnel with one whose background screening meets the requirements of SARS. The Service Provider undertakes to indemnify SARS against any claims that may be brought by any of the Service Provider's Staff who may be affected as a result of SARS exercising its rights under this Clause.
- 41.6.5. The Service Provider shall further ensure that its Staff assigned to provide the Services to SARS as envisaged in this Agreement shall for the duration of this Agreement, be subject to SARS's "Anti-Corruption and Security Internal Policy: Security Vetting" as amended from time to time, as well as other security legislation and policies applicable to the entities providing the services to the organs of State.
- 41.6.6. A breach by the Service Provider of any warranty, representation or other provision of this Clause 42 or of any express or implied warranty or representation contained elsewhere in this Agreement, shall be a material breach of this Agreement which shall confer on SARS the right, in its sole discretion, to utilise any remedy created in this Agreement for the enforcement of SARS's rights, including termination in terms of Clause 30 above.

**41.7. POPIA Compliance:**

- 41.7.1. The Service Provider warrants that it is and will remain for the duration of this Agreement, fully cognisant of and compliant with POPIA including any other Data Protection Legislation applicable to the Services.
- 41.7.2. The Service Provider warrants that it has implemented POPIA compliance programme within its organisation and further that, the Service Personnel in their role as Processors, have been trained on POPIA compliance and are aware of the importance of Protection of Personal Information and commit to ensure compliance thereof when at SARS in their role as Processors.
- 41.7.3. The Service Provider warrants that all Service Provider Personnel who will be exposed to the Personal Information has agreed to comply with POPIA and completed all required agreements for the safeguard of Personal Information.

**41.8. Regulatory requirements:**

- 41.8.1. The Service Provider warrants that it is and will remain for the duration of this Agreement, fully cognisant of and compliant with any relevant legislative or regulatory requirements and/or rulings or codes of practice of any competent authority or industry body that has jurisdiction over the provision of or is relevant to the Services and/or Software. The Service Provider will be responsible for any fines and penalties arising from any non-compliance with any law, legislative enactment or regulatory requirement, code or ruling of any competent authority or industry body relating to the delivery or use of the Services.

**41.9. Documentation:**

41.9.1. The Service Provider warrants that it will provide and maintain Documentation so that it: (i) accurately reflects the operations and capabilities of the hardware; (ii) is accurate, complete and written in a manner easily understood by SARS; and (iii) is promptly updated from time to time to reflect any change.

**41.10. General Warranties:**

41.10.1. The Service Provider hereby represents and warrants to SARS that-

41.10.1.1. this Agreement has been duly authorised and executed by it and constitutes a legal, valid and binding set of obligations on it;

41.10.1.2. it is acting as a principal and not as an agent of an undisclosed principal;

41.10.1.3. the execution and performance of the terms and conditions of this Agreement does not constitute a violation of any statute, judgment, order, decree or regulation or rule of any court, competent authority or arbitrator or competent jurisdiction applicable or relating to the Service Provider, its assets or its business, or its memorandum of incorporation or any other documents or any binding obligation, contract or agreement to which it is a party or by which it or its assets are bound;

41.10.1.4. it will provide the Services in a cost-effective manner, thereby ensuring that no unnecessary or extraordinary costs are incurred and passed on to SARS;

41.10.1.5. it will have the requisite insurance to cover for professional liability claims (to the extent that it may be applicable), that may be instituted against it;

41.10.1.6. it has the necessary resources, skills and experience to render the Service and/or deliver the Deliverables to SARS; and

41.10.1.7. it is expressly agreed between the Parties that each warranty and representation given by the Service Provider in this Agreement is material to this Agreement and induced SARS to conclude this Agreement.

41.10.2. The provisions of this Clause 41 shall survive the termination of this Agreement.

## **42. PUBLICITY**

42.1. No announcements relating to this transaction and of any nature whatsoever will be made by or on behalf of a Party relating to this transaction without the prior consent of the other Party.

## **43. CO-OPERATION**

43.1. The Parties undertake at all times to co-operate with each other in good faith in order to carry out this Agreement.

## **44. DISPUTES**

44.1. In the event of there being a dispute, but save where otherwise provided in this Agreement, such dispute will be resolved in accordance with the rules of the AFSA as provided for below.

44.2. In the event of any such dispute arising between the Parties relating to or arising out of this Agreement, including a dispute as to the validity, implementation, execution, interpretation, rectification, termination or cancellation of this Agreement, the Parties will forthwith meet to attempt to settle such dispute, and failing such settlement within a period of 14 (fourteen) days of first meeting, the said dispute will on written demand by either Party be submitted to arbitration in Johannesburg in accordance with the rules of AFSA.

- 44.3. Should the Parties fail to agree in writing on an arbitrator within 10 (ten) days after arbitration has been demanded, the arbitrator will be nominated at the request of a disputant by AFSA.
- 44.4. The decision of the arbitrator will be binding on the Parties to the arbitration after the expiry of the period of 20 (twenty) days from the date of the arbitrator's ruling if no appeal has been lodged by any Party. A decision which becomes final and binding in terms of this Clause 44 may be made an order of court at the instance of any Party to the arbitration.
- 44.5. Nothing herein contained will be deemed to prevent or prohibit a disputant from applying to the appropriate Court for urgent relief or for judgment in relation to a liquidated claim.
- 44.6. Any arbitration in terms of this Clause 44 will be conducted in camera and the Parties will treat as confidential and not disclose to any Third Party details of the dispute submitted to arbitration, the conduct of the arbitration proceedings or the outcome of the arbitration, without the written consent of all the disputants.
- 44.7. The provisions of this Clause 44 will continue to be binding on the Parties notwithstanding any termination or cancellation of the Agreement.

## **45. ADDRESSES**

- 45.1. Each Party chooses the addresses set out below its name as its addresses to which all notices and other communications must be delivered for the purposes of this Agreement and its domicilium citandi et executandi ("domicilium") at which all documents in legal proceedings in connection with this Agreement must be served.
- 45.2. SARS's physical address for service of notices and legal processes-

Head: Corporate Legal Services

299 Bronkhorst Street

Block A, Le Hae La SARS

Nieuw Muckleneuk

Pretoria

- 45.3. The Service Provider 's physical address for service of notices and legal processes shall be as follows: **[NOTE TO BIDDER: TO BE INSERTED POST AWARD]**
- 45.4. Any notice or communication required or permitted to be given to a Party pursuant to the provisions of this Agreement shall be valid and effective only if in writing and sent to a Party's domicilium.
- 45.5. Any Party may by written notice to the other Party, change its chosen address to another address, provided that-
- 45.6. the change shall become effective on the tenth (10th) Business Day after the receipt or deemed receipt of the notice by the addressee; and
- 45.7. any change in a Party's domicilium shall only be to an address in South Africa, which is not a post office box or a poste restante.
- 45.8. Any notice to a Party contained in a correctly addressed envelope and sent by prepaid registered post to it at a Party's domicilium shall be deemed to have been received on the fifth (5th) Business Day after posting.
- 45.9. Any notice to a Party in a correctly addressed envelope and which is delivered by hand to a Party's chosen address shall be deemed to have been received on the day of delivery unless the contrary is proved.

#### **46. BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("BBBEE")**

- 46.1. The Service Provider acknowledges that Broad-Based Black Economic Empowerment is a business and social imperative in order to achieve a non-racial, non-sexist and equitable society in South-Africa.
- 46.2. In pursuance of this objective the Service Provider commits and warrants to comply in all respects with the requirements of the BBBEE and BBBEE Codes issued in terms of the BBBEE.
- 46.3. Upon signature of this Agreement and one (1) calendar month after the expiry of a current certificate for a particular year, the Service Provider shall provide SARS with a certified copy of its BEE Status from an agency accredited by SANAS or IRBA.
- 46.4. During the currency of this Agreement (including any extension or renewal hereof which may apply), the Service Provider shall use reasonable endeavours to maintain and improve its current BEE Status.
- 46.5. A failure to provide a certified copy of its BEE Status or a failure to comply with provisions of this Clause will entitle SARS to terminate the Agreement by giving the Service Provider one (1) month's written notice.

#### **47. TAX COMPLIANCE**

- 47.1. The Service Provider warrants that as of the Effective Date it is in full compliance with and shall throughout the Term of this Agreement (including any Extended Period) shall remain in full compliance with Tax Act.
- 47.2. Notwithstanding Clause 47.1 above, the Service Provider acknowledges and agrees that to be appointed as the preferred service provider, compliance with the Tax Act is required and as such, the Service Provider is encouraged to monitor and maintain its Tax Act compliance status during the Term.

#### **48. ETHICAL BUSINESS PRACTICES**

- 48.1. SARS has a policy of zero tolerance regarding the engagement in corrupt activities or business. The Parties shall promptly report to each other and the relevant authorities any suspicion of corruption on the part of their agents, Staff, suppliers, taxpayers, or any other person or entity related to them, as well as any behaviour by any of the persons that may constitute a contravention of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004) ("PRECCA") or the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998) ("POCA") as amended from time to time.
- 48.2. Neither Party shall conspire to or offer, promise or make any gift, payment, loan, reward, inducement benefit or other advantage to any of the other Party's Staff, suppliers or any third party in return for a benefit to itself or for the benefit of another person.
- 48.3. If the results of any audit of the Services conducted by or on behalf of SARS indicates the possibility of corrupt activities, improper or fraudulent practices or theft, SARS shall, after allowing the Service Provider reasonable opportunity to investigate that possibility, have the right either by itself, or by its agents, or by requesting the police, to investigate all the relevant circumstances, on reasonable notice to the Service Provider as the circumstances allow, to question any relevant Staff of the Service Provider or a third party and the Service Provider shall use all reasonable efforts to facilitate any such investigation or enquiry. In the event that an act of corruption, fraud or theft is proven, SARS shall be entitled, on written notice to the Service Provider, to immediately terminate this Agreement and either assume the provision of the Services itself or appoint a third party to render the Services. The Service Provider acknowledges that as the Services are a matter of national importance, it is crucial that SARS shall be entitled, without penalty, to ensure continued provision of the Services if for whatever reason this Agreement is terminated pursuant to the breach thereof by the Service Provider or its Staff, as the case may be.



- 48.4. If SARS at any stage during the subsistence of this agreement suspects the possibility of corrupt activities, improper or fraudulent practices, theft or any other offence in terms of PRECCA or POCA by the Service Provider, SARS shall be entitled to:
- 48.4.1. On written notice immediately suspend this Agreement and at its sole and absolute discretion appoint a third party to render the Services should SARS deem it necessary;
  - 48.4.2. either by itself, or by its agents, or by requesting the police, to investigate all the relevant circumstances giving rise to the suspicion and to question any relevant Staff of the Service Provider or a third party; and the Service Provider shall use all reasonable efforts to facilitate any such investigation or enquiry.
- 48.5. Withhold payment of the Service Provider's invoices until such time as SARS have concluded its investigations, which period shall be reasonable.
- 48.6. In the event that an act of corruption, fraud, theft or any other offence in terms of PRECCA or POCA is proven, SARS shall be entitled to immediately terminate this Agreement on written notice to the Service Provider and either assume the provision of the Services itself or appoint a third party to render the Services. The Service Provider acknowledges that as the Services are a matter of national importance, it is crucial that SARS shall be entitled, without penalty, to ensure continued provision of the Services if for whatever reason this Agreement is terminated pursuant to the breach thereof by the Service Provider or its Staff, as the case may be.

#### **49. CONFLICT OF INTEREST**

- 49.1. The Service Provider undertakes to immediately notify SARS in the event that a conflict of interest is identified, upon entering of the Agreement by SARS and the Service Provider.

- 49.2. The Service Provider further warrants that it will not disclose any Confidential Information it obtained in rendering the Services to SARS to any client or third party unless required by law.

## **50. NEW LAWS AND INABILITY TO PERFORM**

- 50.1. It is recorded that the Parties are aware of various new Bills that are to be presented to Parliament which, if passed into law, may have an effect on the provisions of this Agreement and the Services. Therefore, the Parties record and agree that, if any law comes into operation subsequent to the signature of this Agreement which law affects any aspect or matter or issue contained in this Agreement, the Parties undertake to comply with such laws as if they had been in force on the Effective Date; provided that if such compliance renders it impossible to comply with the letter and spirit of this Agreement, the Parties undertake to enter into negotiations in good faith regarding a variation of this Agreement in order to ensure that neither this Agreement nor its implementation constitutes a contravention of such law.
- 50.2. If any law comes into operation subsequent to the commencement of the Services notwithstanding the Effective Date, which law affects any aspect or matter or issue contained in this Agreement and/or performance of the Services, the Parties undertake to enter into negotiations in good faith regarding a variation of the Services in order to ensure that neither the Services nor implementation constitutes a contravention of such law by either Party.

## **51. BUSINESS CONTINUITY MANAGEMENT**

- 51.1. To mitigate the effects of any disaster incident, the Service Provider shall implement and maintain a proven business continuity plan that is satisfactory to SARS which ensure continuity of the Services in the event of early termination of this Agreement for any reason whatsoever, which business plan shall when acceptance by SARS, be attached to this Agreement. For the avoidance of doubt the cost of implementing and maintaining the business continuity plan shall be for the account of the Service Provider.

- 51.2. On an annual basis, SARS, or its nominated appointee, shall have the right to review and assess the Service Provider's business continuity plan in respect of the Services.
- 51.3. The Service Provider shall immediately, or as soon as is reasonably or practically possible, inform SARS in writing of any internal or external incidents that impact on, or may impact on, or prevent it from providing the Services and how it plans to resolve such incidents to ensure a sustained Service provision in line with the Service Level Agreement.

## **52. RELATIONSHIP BETWEEN THE PARTIES**

- 52.1. The Service Provider is an independent contractor and under no circumstances will it be a partner, joint venture partner, agent, or employee of SARS in the performance of its duties and responsibilities pursuant to the Agreement.
- 52.2. All personnel used by the Service Provider will be the Service Provider's employees, contractors, Subcontractors or agents, and the entire management, direction, and control of all such persons will be and remain the responsibility of the Service Provider.

## **53. GENERAL**

### **53.1. Whole Agreement and Amendment**

- 53.1.1. This Agreement constitutes the whole of the Agreement between the Parties relating to the subject matter hereof and no amendment, alteration, addition, variation or consensual cancellation will be of any force or effect unless reduced to writing and signed by the Parties hereto or their duly Authorised Representatives. Any document executed by the Parties purporting to amend, substitute or revoke this Agreement or any part hereof, shall be titled an "Addendum" to the applicable Service Agreement and assigned a sequential letter to be included in the title.

## 53.2. Severability

53.2.1. Should any of the terms and conditions of this Agreement be held to be invalid, unlawful or unenforceable, such terms and conditions shall be severable from the remaining terms and conditions which shall continue to be valid and enforceable. If any term or condition held to be invalid is capable of amendment to render it valid, the Parties agree to negotiate an amendment to remove the invalidity.

## 53.3. Advertising and Marketing

53.3.1. The Service Provider shall not make or issue any formal or informal announcement (with the exception of Authority announcements), advertisement or statement to the press in connection with this Agreement or otherwise disclose the existence of this Agreement or the subject matter thereof to any other person without the prior written consent of SARS.

## 53.4. Waiver

53.4.1. No change, waiver or discharge of the terms and conditions of this Agreement shall be valid unless in writing and signed on behalf of the Party against which such change, waiver or discharge is sought to be enforced, and any such change, waiver or discharge will be effective only in the specific instance and for the purpose given. No failure or delay on the part of either Party hereto in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

## 54. COVENANT OF GOOD FAITH

54.1. Each Party agrees that, in its respective dealings with the other Party under or in connection with this Agreement, it shall act in good faith.

## 55. COSTS

55.1. Each Party shall bear and pay its own costs of or incidental to the drafting, preparation and execution of this Agreement.

## 56. GENERAL

### 56.1. Binding Nature and Assignment.

This Agreement shall be binding on the Parties hereto and their respective successors and assigns. Neither Party may, or shall have the power to, assign this Agreement without the consent of the other, except that SARS may assign its rights and obligations under this Agreement without the approval of Service Provider to another Government Entity.

### 56.2. Non-Solicitation.

56.2.1. During the Term, and for a period of 1 (one) year thereafter, neither SARS nor Service Provider shall directly solicit or encourage or attempt to solicit or encourage any employee of the other to leave the employment of the other unless prior consent is obtained from such other Party, which shall not be unreasonably withheld. It shall not be a violation of this provision for a Party to advertise its openings in generally available media and to hire the other Party's personnel that contact it as a consequence of such advertising.

56.2.2. Service Provider shall provide reasonable assistance to SARS or its designee to facilitate the hiring and/or transfer of those Service Provider employees that SARS has a right to hire or are otherwise transferred to SARS (e.g., providing names, résumés and other information reasonably requested by SARS), provided that Service Provider shall not be required to disclose confidential information or other information the disclosure of which would violate any Applicable Law. Service

Provider shall waive any restraint of trade, non-compete or other restrictive rights it may have with respect to those employees.

**56.3. Undertaking Against Cession and Assignment.**

56.3.1. The Service Provider may not assign, delegate or in any other manner transfer any benefit, rights and/or obligations in terms of this Agreement to a third party, with or without the prior written consent of SARS.

56.3.2. The Service Provider may only cede this Agreement in favour of registered Financial Services Providers (FSP) and state institutions established for the express purpose of providing funding to businesses and entities (State Institution). Therefore, cession shall only be permissible in the event that:

56.3.2.1. It is intended to transfer rights to receive payment for services rendered by the Service Provider to SARS;

56.3.2.2. The written request for cession to SARS is by the Service Provider and not any third party; and

56.3.2.3. The written request by the Service Provider must be accompanied by the cession agreement the Parties intend to enter into.

## 57. AUTHORISED SIGNATORIES

- 57.1. The Parties agree that this Agreement and any contract document concluded in terms hereof shall not be valid unless signed by all authorised signatories of SARS.
- 57.2. This Agreement is signed by the Parties on the dates and at the places indicated below.
- 57.3. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.
- 57.4. The persons signing this Agreement in a representative capacity warrant their authority to do so.

**[Remainder of page intentionally blank.]**

**SIGNED at** \_\_\_\_\_ **on** \_\_\_\_\_ **2022**

For and on behalf of

**SOUTH AFRICAN REVENUE SERVICE**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Designation of Signatory

**SIGNED at** \_\_\_\_\_ **on** \_\_\_\_\_ **2022**

For and on behalf of

**SOUTH AFRICAN REVENUE SERVICE**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Designation of Signatory

**SIGNED at** \_\_\_\_\_ **on** \_\_\_\_\_ **2022**

For and on behalf of

**SERVICE PROVIDER**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Designation of Signatory



## ANNEXURE A

### SERVICE LEVEL AGREEMENT

#### 1. PURPOSE

- 1.1. The purpose of this SLA is to manage and timeously resolve an Incident affecting or relating to a Hardware to ensure compliance with the requirements of the Service Level.
- 1.2. An Incident that the Service Provider knows of (or should have known of) before it is reported by SARS shall be treated as if it were reported by SARS at the moment it is detected. The metrics vary depending on the support level designation of the Hardware: severity level 1 to 4 (one to four).
- 1.3. A Peripheral or other item that is not a piece of Hardware (or a component of Hardware) shall have the same 'metal' support level designation as the Hardware which it is attached or connected to (physically or wirelessly).

#### 2. Glossary Table

- 2.1. The capitalised terms in this document appearing in the glossary table below will have their corresponding meanings.

Term	Meaning
Business Day	All days that are not Saturdays, Sundays or public holidays.
Business Hours	8:00-17:00 on Business Days.
SARS	South African Revenue Service
Extended Hours	All hours that are not Business Hours.
SARS PPS&G	SARS Policies, Procedures, Standards and Guidelines.

SDM	Service Delivery Manager
Services	The services to be delivered by the Service Provider as per this Annexure
SP	Service Provider
Term	The term of this Agreement
OEM	Original Equipment Manufacturer

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### 3. Training

3.1. The SP will not be required to provide formal training to SARS staff unless there is an introduction of new technology to the current environment. As and when required by SARS, the SP may be required to provide ad hoc technical training, for example, as part of a project.

### 4. Consulting

4.1. The Service Provider will be required to provide SARS with ad hoc advisory services related to the services, including advising and recommending continuous improvements and possible technological enhancements to SARS at no additional cost.

4.2. Formal consulting assignments may be engaged on a paid-for basis. Formal paid-for consulting assignments will only be provided on written authorisation by SARS to the Service Provider.

## 5. RESPONSIBILITIES OF THE PARTIES

### 5.1. The Service Provider's Responsibilities:

5.1.1. The Service Provider will with effect from the Effective Date, upon receipt of an order to deliver the equipment, render the necessary support and maintenance on all aspects of the Hardware support in terms of this Agreement including the provision of this **Annexure A**.

5.1.2. The Service Provider will deliver the maintenance and support within the required service levels which refers to the hours during which SARS r will be provided with the Service including the necessary response and turnaround times for such Service.

**5.2. The Service Provider undertakes to:**

- 5.2.1. qualify a call for assistance in line with the severity level of that incident upon receipt thereof from SARS. If model deliverables are operationally implemented, new response times will be agreed upon based on severity level.
- 5.2.2. Respond to all incidents raised by the SARS to the satisfaction of the SARS and within the response times specified in the table below.
- 5.2.3. Adhere to all SARS Policies, Procedures, Standards and Guidelines.

**5.3. The SARS' Responsibilities:**

- 5.3.1. In order to ensure effective performance of the Service by the Service Provider, the Customer will provide the Service Provider's technical Staff with reasonable access to the Premises during business hours and/or hours agreed upon by the Parties.
- 5.3.2. The SARS will maintain the physical environment of the Hardware including the software component thereof which includes without being limited thereto:
  - 5.3.2.1. adequate stable power supply to meet the operating specifications of the Hardware;
  - 5.3.2.2. adequate capacity to run the applications on a stable hardware.

**6. SERVICE REQUESTS, CALL LOGGING PROCEDURE AND PROCESS**

- 6.1. All Service request and/or query including technical support will be logged by SARS via the Service Provider's Helpdesk.
- 6.2. The following procedures must be followed by the SARS r logging a call for Service request. Adherence to these procedures will ensure the best possible response and timeous response.

6.3. SARS shall contact the Service Provider's Helpdesk support by means of any of the following methods:

6.3.1. By telephone on:

6.3.2. By email to:

6.4. The Service Provider will require the following Standard information from the SARS in order to expedite the call:

6.4.1. Company name

6.4.2. Contact Name & E Mail

6.4.3. Severity

6.4.4. Operating system

6.4.5. Complete version

6.4.6. Brief description of support request

## 7. AVAILABILITY

7.1. The Service Provider will ensure that the Service is available during normal business hours as well as extended hours (as defined above).

## 8. SEVERITY LEVEL

- 8.1. Severity 1: incident / problem target response within 1 working day.  
(Complete degradation. All users or critical functions affected. Core Item or service completely unavailable. Multiple sites or critical sites down)
- 8.2. Severity 2: incident / problem target response within 2 working days.  
(Significant degradation. Large number of users affected or single application down).
- 8.3. Severity 3: incident / problem target response within 3 working days.  
(Limited degradation. Limited number of users or functions affected. Business processes can continue with workaround).
- 8.4. Severity 4: incident / problem target response within 40 hours  
(Small degradation. Few users or one user affected. Business processes can continue).

Service Level as a whole will occur if any one of the metrics specified below is not met in the relevant month.

Time to Resolve Hardware Incidents Service Level				
Item	Support Level			
	Severity 1	Severity 2	Severity 3	Severity 4
Incidents	≥ 90% of Incidents Resolved within one (1) Service Coverage Hours of it	≥ 85% of Incidents Resolved within two (2) Service Coverage Hours of it	≥ 80% of Incidents Resolved within four (4) Service Coverage Hours of it	≥ 80% of Incidents Resolved within eight (8) Service Coverage Hours of it

	becoming known to Service Provider.	becoming known to Service Provider.	becoming known to Service Provider.	becoming known to Service Provider.
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## 9. SERVICE PERFORMANCE

9.1. All incidents logged with the Service Provider’s Service Desk will first be evaluated according to the Customer’s selected severity levels for each specific incident as set out in this Annexure A. The severity level may also be reassigned by mutual agreement with the support personnel and will be communicated to the relevant role players.

9.2. The Service Provider will ensure that a qualified person will be available, contactable via telephone and/or email during business hours, Monday to Friday, to provide corrective support and urgent assistance to the Customer.

9.3. The Supplier technical support will be notified immediately following initial investigation of a severity 1 problem.

9.4. The Service Provider will keep the Customer informed of the progress of the Problem resolution and endeavour to adhere to the following times with regard to response:

SEVERITY LEVEL		Response Time
Severity Level 1	Response target	8 Business hours
Severity Level 2	Response target	8 Business hours
Severity Level 3	Response target	8 Business hours

<b>Severity Level 4</b>	Response target	12 Business hours
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## 10. SERVICE MEASUREMENTS

The Parties must schedule, conduct and minute monthly operational meetings to discuss the overall Service performance, list of operational asset management issues logged/escalated, and the related resolutions/actions taken; any hardware related matters which require the client's attention.

## 11. SERVICE LEVEL MANAGEMENT

Meeting	Frequency	SARS Representative	The Supplier Representative
Service Relationship Review	Bi-weekly	To be confirmed	
Service Review	Monthly	To be confirmed	
Ad hoc	When need basis	To be confirmed	

## 12. CONTACT DETAILS

### 12.1. Service Provider's Helpdesk details

Helpdesk details	Primary Number	Alternative Number
Helpdesk Number		
Helpdesk e-mail address		
Helpdesk standby number (after hours)		



### 13. ESCALATION OF SLA FAILURES

#### 13.1. The Service Provider

Escalation	Contact Name	Contact Number	Email
Helpdesk			
Senior Customer Care Manager			
Chief Architect			

#### 13.2. SARS

Escalation	Contact Name	Contact Number
Escalation #1	To be confirmed	012 422 4000
Escalation #2	To be confirmed	012 422 4000
<b>Escalation #3</b>	<b>To be confirmed</b>	012 422 4000

### 14. REMEDIES SERVICE LEVEL FAILURES

The Parties record and agree that the severity and impact of the Incidents logged shall be addressed during the quarterly service review meetings

First incident in excess of SLA:	5% of monthly rental per unit.
Second incident in excess	8% of monthly rental per unit.

of SLA:	
Third incident in excess of SLA:	10% of monthly rental per unit.

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**ANNEXURE B  
FEES**

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