MASTER SERVICES AGREEMENT

SERVER DEVICE SUPPORT SERVICES

Between

SOUTH AFRICAN REVENUE SERVICE

(“SARS”)

and

_____

(“Service Provider”)

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Notes to Bidder:

1 This Agreement and its appended documents comprise 4 (four) structural layers:

1.1 **At the highest level is the "Main Agreement" running from page 6 to page 77;**
1.2 **The next order of document in the hierarchy is the "Schedules";**
1.3 **Below the Schedules is an "Appendix";**
1.4 **Falling below the Appendix is the final and most subordinate layer which is an "Attachment".**

2 This Agreement does not constitute a final agreement between the Parties. SARS reserves the right to amend same, at its own discretion, at any point prior to signature hereof. Bidder**(**s**)** may **provide** comment**(**s**) / amendments / additions** to the **agreement,** and the annexures thereof, if any, on the provided Contract Response Template / table provided, failing which a bidder will be deemed to have accepted the terms and conditions of this Agreement together with Annexures.

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3 Such mark-ups/amendments shall be subject to SARS' acceptance or rejection.

4 Bidders must note that Mark-ups / comments / amendments will NOT be accepted on the following clauses. Any amendments made to these clauses will be disregarded:

4.1 **Clause 17 – SAFEGUARDING OF CONFIDENTIAL INFORMATION;**

4.2 **Clause 18 – INTEGRITY AND SECURITY COMPLIANCE**

4.3 **Clause 20.12 – TAX COMPLIANCE**

4.4 **Clause 20.17 – B-BBEE COMPLIANCE**

4.5 **Clause 21 – INSURANCE AND RISK OF LOSS**

4.6 **Clause 22 – INDEMNITIES**

4.7 **Clause 23 – LIABILITY**

4.8 **Clause 25 - AUDITS**

4.9 **Clause 25.3 – RECORDS RETENTION**

4.10 **Clause 29.17 – PERFORMANCE BOND**

4.11 **Clause 28.4 - TERMINATION UPON SALE, ACQUISITION, MERGER OR CHANGE OF CONTROL**

4.12 **Schedule C - SERVICE LEVELS**

4.13 **Schedule D – CHARGES, INVOICING AND PAYMENTS**

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TERMS AND CONDITIONS

This Agreement, effective as of __ _____, 2026 ("**Effective Date**"), is entered into by and between the South African Revenue Service, an organ of State established in terms of the South African Revenue Service Act, 1997 (Act No. 34 of 1997) with its registered address located at its Pretoria Head Office, 299 Bronkhorst Street, Nieuw Muckleneuk, 0181, the Republic of South Africa ("**SARS**") and, _____, a company incorporated under the laws of the Republic of South Africa, with registration number (_____),with its registered address located at _____, the Republic of South Africa (the "**Service Provider**"). As used in this Agreement, "**Party**" means either SARS or the Service Provider, as appropriate, and "**Parties**" means SARS and the Service Provider. The Parties agree that the following are the terms and conditions under which SARS agrees to purchase and the Service Provider agrees to provide, the Services.

Capitalised terms have the meanings given to them in **SCHEDULE A** (**Glossary**).

[NOTE TO BIDDER: THE ABOVE FIELDS WILL BE COMPLETED ON CONTRACT AWARD]

1. BACKGROUND AND OBJECTIVES

1.1. Background

This Agreement is being made and entered into with reference to the following:

1.1.1. Server Support Services as more fully described herein and, the RFP, Business Requirement Specifications and in the Schedules and Appendices, hereto.

1.1.2. The Service Provider warrants that it has and will continue throughout the Term of this Agreement to have the resources, skills, qualifications and experience necessary to perform and manage the Services to the highest standards prevailing in the Service Provider industry at whatever volumes SARS may from time to time require in terms of the requirements of the Agreement.

1.1.3. In reliance on these statements and representations, SARS has selected and, subject to the terms of this Agreement, hereby appoints the Service Provider as its vendor to provide the Services described herein during the Term, which appointment the Service Provider hereby accepts.

1.2. Objectives

1.2.1. SARS and the Service Provider have agreed upon the following specific goals and objectives

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for this Agreement:

1.2.2. to provide SARS with the Services in a manner that is intended to create and maintain a high level of user satisfaction that meets or exceeds the Service Levels;

1.2.3. to achieve a cost-effective solution for SARS without any degradation in the quality of the Services;

1.2.4. to appropriately contain SARS' risk, including with respect to: (i) sustained service delivery; (ii) cost containment; (iii) changes in law, the technology available to provide the Services, technology employed by SARS, SARS' processes or the like; (iv) SARS' ability to transition the Services to itself or a Third Party at termination or expiration of this Agreement; and (v) security of Confidential Information and Data Protection in-line with Data Protection Legislation, including validation and integrity protection;

1.2.5. to procure the Services under a flexible and scalable arrangement pursuant to which SARS' consumption reflects its needs as they may change from time to time;

1.2.6. to procure the Services for Charges that: (i) reflect SARS' consumption; (ii) are predictable and controllable; and (iii) are at or below the South African market price for similar services throughout the Term. Tariffs charged to SARS shall not exceed any retail price advertised by the Service Provider, and the Service Provider ensures that SARS benefits from any benefits not on commercial terms that are less favourable than that offered by the Service Provider for its other customers for similar services;

1.2.7. to establish a successful contractual relationship between the Parties that is flexible and highly responsive to SARS' changing requirements over the Term;

1.2.8. to provide SARS with the Services in a manner that is intended to create and maintain a high level of user satisfaction in accordance with the Performance Standards, including with respect to SARS' personnel and South African taxpayers generally;

1.2.9. to provide SARS with Services that improve over the Term; and

1.2.10. to enable the Service Provider and its approved Subcontractors to earn a reasonable return on their investment and a reasonable profit from the performance of the Services provided that the Service Provider meets its obligations under the Agreement, including performing the Services in terms of the Performance Standards.

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1.3. **Construction**

1.3.1. The provisions of this **clause 1** are intended to be a general introduction to this Agreement and shall not be used to expand the scope of either Party's rights or obligations under this Agreement or to alter the plain meaning of the terms and conditions of this Agreement. However, to the extent that the terms and conditions of this Agreement do not address a particular circumstance or are otherwise unclear or ambiguous, such terms and conditions are to be interpreted and construed in so far as to give effect to the provisions in **clause 1** above. Certain other rules of construction are set out in **Schedule A (Glossary)**.

1.3.2. All Services ordered by SARS under the Agreement will be subject only to the terms and conditions of the Agreement. Any order forms or other correspondence that the Service Provider may use for the ordering of Services or otherwise for administering the Agreement or the Services will be for administrative convenience only. Any terms or conditions included on any such order form that adversely affect SARS will have no effect (including any provision on such a form which states it supersedes, cancels, amends, modifies or supplements the Agreement). No such term or condition will vary any terms or conditions of the Agreement, either in general or in a specific instance.

2. AGREEMENT STRUCTURE AND ORDER OF PRECEDENCE

2.1. This Main Agreement provides a framework for, and the general terms applicable to, the Services that the Service Provider will provide to SARS under this Agreement. This Main Agreement is supplemented with Schedules, Appendices and Attachments.

2.2. For ease of reference, the Schedules are the first level of documents attached to the Main Agreement. The Appendices are documents attached to the Schedules. The Attachments are documents attached to the Appendices.

2.3. By written agreement, the Parties may, from time to time, include under the Main Agreement, Schedules, Appendices and Attachments pertaining to New Services as well as amendments to particular Services provided by the Service Provider to SARS under this Agreement.

2.4. The provisions of the Main Agreement will apply to all Schedules, Appendices and Attachments issued hereunder.

2.5. **Order of precedence**

2.5.1. Where there is any conflict between the provisions of the various clauses of the Main Agreement, the Schedules, Appendices and Attachments, that conflict will be resolved in

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accordance with the following order of precedence (in descending order of priority)

2.5.1.1. In the event of conflict between the Main Agreement and Schedules, Appendices and/or Attachments, the Main Agreement will prevail;

2.5.1.2. In the event of conflict between the Schedules and Appendices and/or Attachments, the Schedules will prevail; and

2.5.1.3. In the event of conflict between the Appendices and Attachments, the Appendices will prevail.

2.5.1.4. In the event of a conflict between any provision in Schedule B or the Appendices to Schedule B and Schedules B-S or the Appendices to Schedule B-S, the provision of Schedule B-S or the Appendices to Schedule B-S will prevail.

2.5.1.5. In the event of conflict between the Main Agreement and the RFP, the provisions of the RFP will prevail.

2.5.1.6. For the avoidance of doubt, it is recorded that the terms of one Schedule, Appendix or Attachment will not apply to any other Schedule, Appendix or Attachment to the extent they are in conflict.

3. TERM

3.1. The term of this Agreement will commence on the Effective Date and will expire on the Third anniversary of the Effective Date of the Agreement (the "**Initial Term**"), unless: (i) the Agreement is terminated earlier in accordance with the provisions of this Main Agreement in which case the Agreement will expire on such earlier termination date; or (ii) extended as envisaged in **Clause 3.2** below or (iii) extended as envisaged in **Clause 28.5,** in which case, the Agreement will expire at the end of such Renewal Term or extension. It is recorded that the term of a Work Order or purchase order may extend beyond the Term. However, it is recorded that no new Work Orders or purchase orders may be concluded after the Termination date of the Agreement.

3.2. **Extension**

3.2.1. Upon giving notice to the Service Provider no less than 60 (sixty) days prior to the then-current applicable expiration date of the Agreement, SARS will have the right to extend the Term no more than twice for a period of 12 (twelve) months or such shorter period as SARS may deem necessary on the terms and conditions as set out in this Agreement, including

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Charges as adjusted for inflation under **clause 2.3** of **Schedule D (Charges, Invoicing and Payments)** then in effect.

4. SERVICES

4.1. Summary of Services

4.1.1. The Services to be provided by the Service Provider are set forth in this Agreement (including the applicable Schedules, Appendices and Attachments hereto) as amended from time to time in writing between the parties subject to, for the duration of the Term subject to SARS procurement policies and procedures.

4.1.2. The Services to be provided by the Service Provider shall be provided generally, in accordance with the provisions of this Agreement and specifically in accordance with the provisions of each Statement of Work (SOW), which services will include one or more of the following functional areas of scope:

4.1.2.1. Service Management Services: the detailed scope of the service management services and set forth in **Schedule B (Service Management Services SOW)**; and

4.1.2.2. Server Support Services: the detailed scope of the Server Support Services is set forth in **Schedule B-S (Server Support Services SOW)**; and/or

4.2. Definition and Scope of Services

4.2.1. In addition to the provisions of **clause 4.1** above, the term "**Services**" shall refer to and shall include the duties, services, activities, Deliverables functions and responsibilities to be provided or to be performed by the Service Provider for SARS as described in or otherwise required under **Schedule B** and **Schedule B-S** or elsewhere in the Agreement and as amended from time to time in accordance with this Agreement.

4.2.2. The Services will include:

4.2.2.1. Transition Services;

4.2.2.2. the provision of New Services and/or Projects upon the conclusion of a Work Order;

4.2.2.3. performance that is compliant with SARS procedures and policies;

4.2.2.4. co-operating with Third Parties;

4.2.2.5. complying with the Service Levels; and

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4.2.2.6. duties, services, activities, functions, infrastructure and responsibilities required for the proper performance and provision of the Services, even if not specifically described in this Agreement, other than the Dependencies.

4.2.3. In each of the instances above, the term "**Services**" shall refer to and include such services, functions and responsibilities as they may evolve during the Term and as they may be supplemented, enhanced, modified or replaced including to keep pace with changes in SARS business and advances in technology and processes available to the Service Provider, all in accordance with and subject to the terms and conditions of this Agreement and where applicable as set out in a Work Order as detailed in **Appendix E-5**.

4.3. **Provision of Services**

4.3.1. The Transition Services will start on the Effective Date unless otherwise agreed between the Parties. The Services will start on the Commencement Date and will at all times be provided in accordance with and subject to the terms and conditions of the Agreement and the Performance Standards.

4.3.2. For the avoidance of doubt, the Service Provider will perform:

4.3.2.1. the Services and functions listed in the Agreement;

4.3.2.2. the Services (including all steps and tasks) detailed in **Schedule B** and **Schedule B-S** and any other **Schedule** or **Appendix** issued in terms of the Agreement; and

4.3.2.3. any steps and tasks required to perform the Services, even if such steps and tasks have not been listed or described in the Agreement; to ensure that SARS receives and realises the benefit of the Services.

4.3.3. The Service Provider undertakes to perform the Services diligently, in a timely manner, and in accordance with the Performance Standards and time schedules set forth or referred to in the Agreement. The Service Provider shall promptly notify SARS upon becoming aware of any incident or circumstances that may reasonably be expected to jeopardise the performance or timely performance of any part of the Services. Notwithstanding anything to the contrary contained in the Agreement, the Service Provider will not take or authorise any action that results in a reduction of the scope of or degradation in the quality and timeliness of the performance of the Services during the Term of the Agreement, unless authorised, in writing, by SARS.

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4.3.4. The Service Provider will for the duration of the Agreement: (i) use all Commercially Reasonable Efforts to improve the quality and efficiency of the provision of the Services; and (ii) ensure that the Charges are such that the Services are cost effective to SARS. The Service Provider will be required to implement all necessary formal processes to facilitate improvement of the Services and to maintain such processes for the Term of the Agreement. The Service Provider shall ensure that the Charges will at all times comply with the provisions of **Schedule D (Charges, Invoicing and Payments)**.

4.3.5. The manner in which the Services are commissioned, installed and provided will be such that they are easily scalable to support any growth of or contraction in, SARS' business requirements for the Term.

4.3.6. The Service Provider undertakes to continue to perform its obligations under the Agreement, including the performance of the Services, without any interruptions, including during any dispute between the Parties, unless instructed otherwise by SARS in writing.

4.3.7. The Service Provider will perform the Services in accordance with and subject to the provisions of **Schedule E (Governance).**

4.4. **Enhance Capabilities and Effectiveness**

4.4.1. The Services will be provided in a manner that enhances SARS' ability to deliver high-quality, cost-effective services. The technology utilised by the Service Provider will provide SARS with industry leading levels of service delivery and performance.

4.5. **Flexibility**

4.5.1. SARS retains the right to adapt the scope of equipment and processes to its changing requirement including but not limited to:

4.5.1.1. Include new categories and/or exclude current categories of equipment, with regards to new categories. In this regards SARS shall provide the Service Provider with 90 (ninety) days' notice to enable the new category

4.5.1.2. Include new manufacturers /brands / models and/or exclude current manufacturers / brands / models of equipment;

4.5.1.3. Increase or reduce the quantities of equipment under support;

4.5.1.4. Introduce equipment at new Sars Sites into the scope of support or exclude equipment at existing SARS Sites from the scope of support; and

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4.5.1.5. Include or exclude existing or new sites from the scope of services.

4.6. **Cost Predictability**

4.6.1. The Service Provider will (for the Term), ensure predictable charges in line with **Schedule D**, with no unanticipated price increases over time, so that factors affecting the Service Provider's invoiced charges to SARS remain within SARS' control.

4.7. **Technical Transformation**

4.7.1. If SARS undertakes a transformation of technology or process within the scope of the Services during the Term, the Service Provider may be engaged, on a project basis, to provide services supporting the transformation.

4.7.2. For the avoidance of doubt, while a yearly percentage of refresh of equipment is undertaken by SARS on a continuous basis, this shall not be deemed as a technical transformation and SARS retain the right to reduce the number of devices to be supported.

4.7.3. SARS will retain the right to source any part of the scope of Services and/or the new alternative technology required from the Service Provider and/or any Third Party.

4.8. **Improve and Maintain Technology**

4.8.1. The Service Provider will be expected to implement new technologies if approved by SARS to deliver the Services, at no additional cost, to SARS effectively 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, at its own cost, refresh the Service Provider's technology used to provide the Services as is necessary to perform the Services in accordance with the terms of the Agreement and to meet the Service Levels.

4.8.2. SARS will retain the right to source any part of the scope of Services and/or the new alternative technology required new alternative technologies from any Third Party in the event that the Service Provider is not positioned to provide and/or implement the required new technology

4.9. **Services to Governmental Entities.**

4.9.1. The Service Provider will make the Services under this Agreement (including at the Service Levels and for the Charges), as well as including New Services and/or Projects, available to other Governmental Entities subject to compliance by the relevant Governmental Entity with the applicable legislation.

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4.9.2. SARS will provide the Service Provider with 30 (thirty) days prior written notice (or such other period as the Parties may mutually agree), if it wishes to have the Service Provider provide Services to other Governmental Entities; provided, however, that the Service Provider will use Commercially Reasonable Efforts to commence performance of the Services to the other Governmental Entities as of the date requested by SARS.

4.10. **Transition Services**

4.10.1. The Service Provider will provide the Transition Services from the Effective Date as detailed in **Schedule B-S** to **Appendix B-S-1**.

4.11. **New Services**

4.11.1. The Service Provider will perform New Services upon written request by SARS and subject to SARS' procurement processes. SARS may decide to perform New Services itself, award New Services to the Service Provider, or award New Services to a Third-Party Supplier at its sole discretion.

4.11.2. Where New Services are requested by SARS, the Service Provider will commence providing such services as directed by SARS upon conclusion of a Work Order.

4.11.3. The Service Provider will charge for New Services only as provided in **clause 6** of **Schedule D** (**Charges, Invoicing and Payments**) or where applicable, such charges as may be agreed and set out in a Work Order provided prior written approval thereof is obtained by SARS.

4.11.4. **Reduction, Modification and Augmentation of Services**

4.11.4.1. SARS reserves the right to align the Services with its operating model and Information Technology strategy in order to achieve its objectives and mandate in terms of the SARS Act, which may result in a reduction and/or, modification and/or augmentation of the Services, in which event SARS shall give the Service Provider 90 (ninety) days written notice to that effect.

4.11.4.2. Should SARS require to reduce the Services the Service Provider shall cease to provide the reduced part of the Services upon expiry of the 90 (ninety) days written notice referred to in **clause 4.11.4.1** above. The reduction of such part of the Services shall have an effect of reducing the costs of the Services.

4.11.4.3. Should SARS require a modification of the Services the costs for such modified Services will be in accordance with **Schedule D** of this Agreement and should SARS require

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additional Services the costs of such augmented Services shall be as agreed to between the Parties.

4.11.4.4. Provided that such reduction, modification or augmentation will not have the effect of exceeding the scope of the Services as outlined in the RFP 03/2026 document.

4.12. **Projects**

4.12.1. The Service Provider will perform Projects only upon conclusion of a Work Order and in accordance with the provisions of **clause 10 of Schedule B** (**Service Management Services SOW**).

4.12.2. The Service Provider will perform such Projects in terms of the SARS project methodology as designated by SARS from time to time.

4.12.3. SARS may decide to perform the Projects itself, award Projects to the Service Provider, or award Projects to a Third-Party Supplier at its sole discretion.

4.12.4. The Service Provider will charge for Projects only as provided in **clause 7** of **Schedule D** (**Charges, Invoicing and Payments**) or where applicable such charges as may be agreed and set out in a Work Order signed by both Parties provided prior written approval thereof is obtained by SARS. For purposes of clarity, the fact that one or both of the Parties may refer to an aggregation of work as a project will not cause such aggregation to be treated as a Project. Such an aggregation shall only be treated as a Project if it is a Project as defined in **Schedule A** (**Glossary**).

4.13. **Proposals and Quotations**

4.13.1. Where SARS requests the Service Provider to provide a proposal and/or quotation in respect of any proposed Services, the Service Provider shall:

4.13.1.1. furnish SARS with a detailed written proposal and/or quotation upon which will be stated: (i) an all-inclusive price for such services (with the components of the quoted pricing being specified); (ii) the technical specifications of all deliverables; (iii) the details as to the date until which the quotation will be open for acceptance by SARS; (iv) rates and projected hours; and (v) any other information required by SARS; and

4.13.1.2. within 1 (one) business day, provide SARS, in writing or by email, with a committed date for the delivery of the proposal and/or quotation referred to in **clause 4.13.1.1** above. The Service Provider will deliver the proposal and/or quotation, complete in every respect on or before the committed date.

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4.13.2. It is specifically recorded that no terms and conditions contained in any proposal and/or quotation will have any force and effect. It is the intention of the Parties that on acceptance of any proposal and/or quotation by SARS, a Work Order be concluded in accordance with the provisions of this Agreement.

4.14. **Co-operation with SARS and Third Parties**

4.14.1. The Service Provider acknowledges that SARS may have outsourced certain of its services and business processes, related and/or ancillary to the Services, to Third Parties and that SARS may outsource certain other functions to other Third Parties. The Service Provider will, at no additional cost and as part of the Services, co-ordinate, co-operate and consult with such Third Parties and SARS regarding the performance of the Services to enable the Service Provider and the Third Parties to provide the Services to SARS in a seamless manner, as is reasonably possible.

4.14.2. The Service Provider will use Commercially Reasonable Efforts to ensure that all facilities, services, equipment, Software, the Service Provider Personnel and other resources (including those provided by SARS) (collectively, the "**Resources**") utilised by the Service Provider or approved by the Service Provider for utilisation by SARS in connection with the Services, will be successfully integrated and interfaced, and compatible with, the services, equipment, networks, Software, Third Party personnel, enhancements, upgrades, modifications and other resources that are being provided or recommended by Third Party Suppliers (collectively, the "**Third Party Resources**"). Further, the Service Provider will use Commercially Reasonable Efforts to ensure that none of the Services or other items provided to SARS by the Service Provider will be adversely affected by any such Resources and/or Third-Party Resources, whether as to functionality, speed, service levels, interconnectivity, reliability, availability, performance, response times or similar measures.

4.14.3. To the extent that SARS performs any of the Services or functions itself, or retains Third Parties to do so, the Service Provider will co-operate with SARS or any such Third-Party Supplier, which co-operation shall include:

4.14.3.1. providing reasonable access to any facilities and/or any Resources being used to provide the Services (as necessary for SARS or a Third-Party Supplier to perform);

4.14.3.2. providing such information regarding the Services as SARS and/or the Third-Party Supplier may request;

4.14.3.3. where applicable, and where required by SARS, providing the Services until completion

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of the successful Transition of the Services from the Service Provider to SARS and/or the Third-Party Supplier;

4.14.3.4. providing such other services set out in **Schedule F** (**Disengagement Assistance**), as if this Agreement was terminated or expired, but only with respect to the Services to be transitioned to SARS or a Third-Party Supplier in terms of this Agreement.

4.14.4. When engaging a Third Party Supplier as contemplated in this **clause 4.14** above, SARS will use Commercially Reasonable Efforts to require the Third Party Supplier: (i) to comply with the Service Provider's reasonable security requirements, to the extent such Third Party Supplier will be performing work on the Service Provider-owned, licensed or leased Software; (ii) to comply with the Service Provider's reasonable work standards, methodologies and procedures; provided, however, that SARS may disclose to Third Party Supplier such Service Provider-owned, licensed or leased Software as SARS deems necessary.

4.14.5. The Service Provider undertakes to notify SARS immediately if an act or omission of such a Third-Party Supplier may cause a problem or delay in providing the Services and will co-operate with SARS and such Third-Party Supplier to prevent or circumvent such problem or delay.

5. PERFORMANCE OF SERVICES BY SUBCONTRACTORS

5.1. The Service Provider may not in any manner whatsoever (including by entering into a partnership, alliance or outsourcing arrangement for this purpose), subcontract its obligations under the Agreement without the prior written consent of SARS and where Sides such consent, the Service Provider shall not subcontract more than the prescribed threshold as stated in the Request for Proposal and such sub-contracting shall be undertaken in compliance with the requirements of the Request for Proposal.

5.2. Notwithstanding the provisions of **clause 29.10.1** below, SARS shall be entitled at its sole discretion, to withhold approval in respect of the appointment of any Subcontractor to whom the Service Provider intends to delegate the performance of any part of the Services and/or New Services and/or Projects.

5.3. Where SARS has consented to the appointment of a Subcontractor as contemplated in **clause 5.1** above, the agreements between the Service Provider and its Subcontractors relating to the subcontracting of the Services ("Subcontract Agreement") will contain materially the same terms and conditions as those contained in this Agreement to the extent that such terms and conditions are relevant to the services to be provided by the

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Subcontractor. The Subcontract Agreement shall further restrict the Subcontractor's right to further subcontract its obligations without SARS' prior written consent.

5.4. In no event will the Service Provider be relieved of its obligations under this Agreement as a result of its use of any Subcontractors. The Service Provider shall at all times be responsible to SARS for the fulfilment of all the Service Provider's obligations under this Agreement and shall for the Term, remain SARS' sole point of contact regarding the Services, including with respect to payment.

5.5. The Service Provider will supervise the activities and performance of each Subcontractor and will be liable for any act or failure to act by such Subcontractor which causes any harm, loss or damage to SARS and/or Third-Party Suppliers.

5.6. If SARS determines that the performance or conduct of any Subcontractor is unsatisfactory or if it can be reasonably established or determined that concerns exist regarding the Subcontractor's ability to render future performance because of changes in the ownership, management, and/or financial condition of the Subcontractor, or there have been material misrepresentations regarding the Subcontractor on the strength of which SARS' consent was granted for the appointment of such Subcontractor, SARS may notify the Service Provider of its determination in writing, indicating the reasons therefore, in which event the Service Provider undertakes to promptly take all necessary actions to remedy the performance or conduct of such Subcontractor or, subject to the terms of this clause 5, replace such Subcontractor with another Subcontractor acceptable to SARS.

5.7. The Service Provider will not disclose SARS' Confidential Information to a Subcontractor without SARS' prior written approval and until such Subcontractor or prospective Subcontractor has executed an agreement including provisions at least as rigorous and restrictive as the confidentiality provisions set out in clause 17 below and also complied with the integrity and security competence verification provided for in clause 18 below.

6. SERVICE LEVELS

6.1. The Service Provider will provide the Services in accordance with the Service Levels and Service Level Credits detailed in **Schedule C (Service Levels**) and those specified in a Work Order. The Service Provider's performance of the Services will be measured against the Service Levels.

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7. REQUIRED RESOURCES

7.1. SARS Facilities

7.1.1. SARS shall make available to the Service Provider, during the Term, the facilities specifically described in Appendix B-S-8 (Server Support Services SARS Facilities Available for Service Provider Personnel), or comparable space, but only to the extent required for Service Provider to perform the Services under this Agreement (collectively, 'SARS Facilities'). The Service Provider's use of the SARS Facilities (including Service Provider's use of any furnishings, telephonic hardware, and computer hardware made available to the Service Provider) shall not constitute a lien over such SARS Facilities in favour of the Service Provider or any other customer of Service Provider.

7.1.2. Subject to clause 7.1.2.1 below, SARS shall manage and maintain the SARS Facilities 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 and/or landscape services at such levels. The Service Provider may use the SARS Facilities only to perform Services for SARS and subject to the following:

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

7.1.2.2. the Service Provider shall comply with SARS' standard policies and procedures as made available to the Service Provider from time to time regarding access to and use of the SARS Facilities, including procedures for the physical security of the SARS Facilities. Without limiting the generality of the foregoing, the Service Provider shall keep the SARS Facilities in good order, not commit or permit waste or damage to such Facilities, and not use such Facilities for any unlawful purpose or act;

7.1.2.3. the Service Provider shall be responsible for any damage to the SARS Facilities resulting from the abuse, misuse, neglect or gross negligence of the Service Provider (including its employees, agents and Subcontractors) or other failure to comply with its obligations in respect of the SARS Facilities;

7.1.2.4. the Service Provider shall permit SARS (including its agents, representatives and/or Third-Party Suppliers) reasonable access to SARS Facilities to perform facilities-related services and inspections;

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7.1.2.5. the Service Provider shall not make any changes to the SARS Facilities without SARS' written 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. For the sake of clarity, the Parties record and agree that the Service Provider shall remain the owner of any severable improvements to SARS facilities; and

7.1.2.6. when any of SARS Facilities are no longer required for the performance of the Services, the Service Provider shall return such facilities to SARS in substantially the same condition as when the Service Provider began use of such SARS Facilities, subject to reasonable wear and tear.

7.2. **Service Provider Facilities**

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

7.2.2. The Service Provider shall maintain and enforce, at the Service Provider Facilities, safety and physical security procedures that are at least equal to the highest of the following: (i) the procedures required to meet the 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' procedures applicable to similar locations as of the Effective Date; (iv) the Service Provider's procedures applicable to similar locations, as such procedures may change from time to time; and (v) the procedures generally set out in Schedule B (Service Management Services SOW), Schedule B-S (Server Support Services SOW).

7.2.3. The Service Provider shall permit personnel employed by SARS and its agents and representatives (including its Third-Party Suppliers) to enter into those portions of the Service Provider Facilities used to provide the Services. Such personnel, agents and representatives shall comply with Service Provider's reasonable security requirements.

7.3. **Resources**

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

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7.3.2. With respect to any Assets acquired by the 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

7.4. **Use of Resources**

7.4.1. The Service Provider will use all Resources as are necessary to provide the Services in an efficient, cost-effective and non-wasteful manner.

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

7.5.1. SARS makes no representations regarding the assets SARS owns, leases or licences from Third Parties, or SARS Facilities, including any furnishings, telephonic hardware, and computer hardware (collectively "SARS Assets"). Accordingly, should SARS make available SARS Assets to the Service Provider such assets will be made available 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.

7.5.2. SARS makes no representations and warranties regarding any Third-Party Intellectual Property including with respect to the likelihood that the Service Provider will be able to obtain the Required Consent, the cost of obtaining the Required Consent, or the fitness for purpose of such Third-Party Intellectual Property.

7.5.3. The Service Provider remains fully responsible for the performance of the Services in terms of this Agreement (including Performance Standards) without regard to: (i) the condition or suitability of any SARS Assets, SARS Intellectual Property and/or Third-Party Intellectual Property; (ii) the Service Provider's ability to obtain 1 (one) or more Required Consents; and (iii) the performance or non-performance by any of SARS' suppliers / Service Providers licensors or lessors.

7.6. **Managed Third Party Contracts**

7.6.1. When and to the extent that SARS requires the Service Provider to provide Managed Third Party contract management services and where SARS obtains the right to disclose the terms

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of a Managed Third Party contract to the Service Provider, the Service Provider will manage the applicable Managed Third Party's performance of services for SARS under such contract, including with respect to the Managed Third Party's compliance with the terms of the contract addressing service levels and pricing.

7.6.2. If the Service Provider becomes aware of a breach of or has a concern with a Managed Third Party's performance under, a Managed Third-Party contract, it will immediately: (i) notify SARS; (ii) provide recommendations to SARS regarding the appropriate course of action; and (iii) take such actions as SARS may direct in writing. The Service Provider will not take any action or communicate in any manner whatsoever with the applicable Managed Third Party if there is reason to believe that there is a breach of the Managed Third-Party contract, unless it obtains SARS' prior written approval.

7.6.3. Subject to **clause 7.6.2** above, the Service Provider will use Commercially Reasonable Efforts to resolve any performance difficulties by the Managed Third Party under each Managed Third-Party contract.

7.6.4. Should SARS require Managed Third-Party Services from the Service Provider, such services will be provided as a New Service.

8. SERVICE PROVIDER PERSONNEL

8.1. Health, Safety and Security

8.1.1. The Service Provider will ensure that the Service Provider Personnel will at all times, whilst at SARS Facilities, SARS Sites and/or SARS' premises, adhere to the standard health, safety and security procedures and guidelines applicable to SARS Personnel, as amended from time to time and which will be made available to the Service Provider on request, it being incumbent on the Service Provider to ensure that it regularly requests and obtains the latest versions of such procedures and guidelines. Should SARS at any time have reason to believe that any member of the Service Provider Personnel is failing to comply with such standard health, safety and security procedures and guidelines, SARS will be entitled to deny such member access to any or all of SARS Facilities, SARS Sites and/or SARS' premises and require the Service Provider to replace such member without delay.

8.1.2. The Service Provider will register with the Compensation Commissioner as required by the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993). The Documentary proof of such registration and/or a letter of good standing from the Compensation Commissioner must be made available to SARS upon request.

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8.1.3. SARS' security requirements and regulations include, *inter alia*, the right to search: (i) the person of any member of the Service Provider Personnel; (ii) any container in the possession of the Service Provider Personnel; and (iii) any vehicle driven by the Service Provider Personnel, whilst the Service Provider Personnel are on-site at any SARS Facilities, SARS Sites and/or SARS' premises. The Service Provider will obtain an undertaking from the Service Provider Personnel irrevocably agreeing to submit to such searches and consents to such searches by SARS or any person duly appointed by SARS to undertake such searches.

8.1.4. The Service Provider hereby agrees and undertakes, in terms of section 37(2) of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) ("**OHSA**"), to ensure that the Service Provider and the Service Provider Personnel comply with the aforesaid Act. The Service Provider accepts 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 including:

8.1.4.1. providing for the health and safety of the Service Provider Personnel and ensuring that the Service Provider Personnel at all times adhere to the OHSA, and the terms and conditions of this Agreement; and

8.1.4.2. ensuring that neither the SARS Personnel nor any Third Party's health and safety is endangered in any way by the Service Provider's activities or conduct in providing the Services.

8.2. **Key Service Provider Personnel and Key Service Provider Positions**

8.2.1. The Key Service Provider Positions and Key Service Provider Personnel are detailed in **Appendix E-1** to **Schedule E (Governance).**

8.2.2. Before assigning an individual to a Key Service Provider Position, the Service Provider will notify SARS of the proposed assignment, introduce the individual to the appropriate SARS representatives (and, upon request, provide such representatives with the opportunity to interview the individual) and provide SARS with a *curriculum vitae* and other relevant information about the individual which may be reasonably requested by SARS. If SARS in good faith objects to the proposed assignment, the Parties will attempt to resolve SARS' concerns on a mutually agreeable basis. If the Parties are not able to resolve SARS' concerns within 5 (five) business days of SARS so objecting or such longer period as SARS may in writing agree, the Service Provider will not assign the individual to that position or to any other position on the SARS account and will propose, for approval by SARS, the assignment of an alternative individual of suitable ability and qualifications and who has

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undergone the integrity and security competence verification as provided for in **clause 18** of this Agreement.

8.2.3. The Service Provider Personnel Filling Key Service Provider Positions may not be removed from the SARS account until SARS has approved a suitable replacement and such replacement has been properly trained and made familiar with the SARS account.

8.2.4. In the case of an unforeseen Key Service Provider Position vacancy, the Service Provider will promptly fill the vacant Key Service Provider Position with an appropriately qualified and trained individual in accordance with **clause 8.2.2** above, subject to such individual undergoing integrity and security competence verification as provided for in **clause 18** of this Agreement.

8.2.5. Notwithstanding the above, the Parties record and agree that for the Term of this Agreement, the Service Provider shall:

8.2.5.1. remain the sole employer of the Key Service Provider Personnel assigned to SARS as envisaged in this Agreement;

8.2.5.2. remain fully responsible for the Key Service Provider Personnel including the payment of all remuneration and other benefits;

8.2.5.3. use its Commercially Reasonable Efforts to ensure that the Key Service Provider Personnel will not do anything or take any action that is likely to prejudice or adversely affect or reflect on the name, goodwill, business reputation and/or business interests of SARS.

8.3. **Key Service Provider Position Appointments**

8.3.1. The Service Provider will appoint a Service Provider Account Executive/Service Delivery Manager who will have the full authority necessary to perform his or her functions pursuant to the Agreement, which includes without being, limited thereto, the obligation to ensure that the full scale and scope of the Service Provider's Resources are brought to deliver and/or perform the Services for the Term. The Service Provider Account Executive will (i) serve as SARS' single point of accountability for the delivery of Services, and (ii) have day-to-day authority for ensuring Service Provider's fulfilment of its obligations under this Agreement and ensuring SARS' satisfaction with the Services. The Service Provider Account Executive will be a senior Service Provider employee who will have the authority to act on behalf of the Service Provider and its Subcontractors.

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8.3.2. The Service Provider will appoint a Service Provider Operations Manager who will have the full authority necessary to manage and co-ordinate Service Provider resources to ensure all obligations of the Service Provider in terms of the Agreement are fulfilled in accordance with the Performance Standards during the Term. The Service Provider Operations Manager will report to the Service Provider Account Executive.

8.4. **Turnover of Service Provider Personnel**

8.4.1. The Service Provider agrees that it is in both Parties' best interests for the Service Provider to keep the turnover rate of the Service Provider Personnel at a low level, particularly in respect of the Service Provider Personnel performing critical Service components. Accordingly, the Service Provider will use Commercially Reasonable Efforts to limit the Service Provider Personnel turnover.

8.5. **Removal of Service Provider Personnel**

8.5.1. The Service Provider will promptly remove from the SARS account any Service Provider Personnel whose attendance to/or involvement in such account is determined by SARS and/or the Service Provider to be detrimental to the Services or to the SARS work environment, including any Service Provider Personnel who is found not to be compliant with the provisions of **clause 18** of this Agreement.

8.6. **Continuing Obligation to Perform**

8.6.1. The Service Provider will remain fully responsible for the provision of the Services in terms of the Agreement (including the Performance Standards and Service Levels) notwithstanding, amongst other things: (i) SARS' unwillingness to approve 1 (one) or more proposed assignments of individuals to Key Service Provider Positions; (ii) turnover of Service Provider Personnel including Key Service Provider Personnel; or (iii) the removal by SARS and/or the Service Provider of Service Provider Personnel including under **clause 8.5** above.

9. OEM RELATIONSHIP

9.1. The Service Provider must maintain a valid agreement with OEM (Original Equipment Manufacturer) Partner and hold the relevant partner accreditation with the OEM in support of the equipment at all times during the subsistence of this Agreement.

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9.2. The Service provider confirms that it has a relationship with the OEM's listed in the SARS RFP and business requirement specification documentation and must provide proof of such agreement and partnership certification upon SARS request.

9.3. During the term of the Agreement, SARS may elect to change the equipment/licenses currently used within SARS or introduce new equipment / licenses from a new Service Provider. The Service Provider must be prepared to enter into new / additional back-to-back agreements and partner certifications within 90 days with OEMs (or their official representatives) to accommodate SARS's requirement for support for the newly introduced equipment / brands.

9.4. the Service Provider shall maintain effective operational engagement with applicable OEMs and shall utilise such relationships to support incident resolution, technical escalation, problem resolution, warranty support, maintenance activities, product advisories and other OEM-supported activities reasonably required for the provision of the Services.

9.5. The Service Provider shall notify SARS within a reasonable period of becoming aware of any OEM product retirement, end-of-life, end-of-support, warranty limitation, licensing change or other OEM-related change that may materially affect the Services or supported devices.

9.6. Where any OEM accreditation, certification or partnership status required for the provision of the Services is suspended, withdrawn or allowed to lapse, the Service Provider shall promptly notify SARS and provide a remediation plan and timeline for restoration of such accreditation, certification or partnership status.

9.7. The Service Provider shall ensure that suitably qualified and OEM-accredited personnel are available where such accreditation is required by the applicable OEM for support, maintenance, escalation or warranty-related activities associated with the Services.

10. SARS' RESPONSIBILITIES

10.1. Responsibilities

10.1.1. SARS' responsibilities under the Agreement ("Dependencies") are set out in Appendix B-S-2 (Dependencies). For the avoidance of doubt, SARS will not be responsible for any tasks, functions or the like under the Agreement other than the Dependencies.

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10.2. **Excused Performance**

10.2.1. The Service Provider will promptly notify SARS upon becoming aware that SARS has failed to perform, or is reasonably likely to fail to perform, a Dependency.

10.2.2. The Service Provider's failure to perform any of its obligations under the Agreement (including a failure to perform an obligation within the timeframes required under this Agreement) will be excused if and to the extent that:

10.2.2.1. such failure by the Service Provider would not have occurred but for SARS' failure to perform its Dependencies;

10.2.2.2. such failure by SARS directly and materially adversely affects or affected the Service Provider's timely performance of its obligations under the Agreement;

10.2.2.3. the Service Provider provides SARS with a prompt written notice of such non-performance in accordance with **clause 10.2.1** above and uses Commercially Reasonable Efforts to perform notwithstanding SARS' failure to perform, including by way of Workarounds or other means; and

10.2.2.4. the Service Provider demonstrates (subject to SARS' reasonable satisfaction) that SARS' failure had a direct and/or material adverse impact on the Service Provider's ability to perform its obligations in accordance with the Agreement.

10.2.3. To the extent any delay in performance by the Service Provider is excused under this **clause 10.2**, the deadlines for its performance will be extended for a reasonable period of time to accommodate the delay actually and reasonably caused by SARS' failure to perform a Dependency in accordance with this Agreement.

10.2.4. The Service Provider will be excused from the assessment of a Service Level Credit to the extent set forth in **clause 3.4** of **Schedule C** (**Service Levels**).

11. GOVERNANCE

11.1. The Parties will comply with their respective obligations set forth in **Schedule E** (**Governance**).

12. CHARGES/PRICING

12.1. All Charges for the Services, as well as invoicing and payment terms, are set out in **Schedule**

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D (Charges, Invoicing and Payments).

13. TAX SET-OFF

13.1. The Service Provider acknowledges and understands that the SARS' legislative mandate under the South African Revenue Services Act, (Act No. 34 of 1997), is inter alia, the efficient and effective collection of revenue and to ensure compliance by taxpayers with this act and other tax legislation (collectively referred to as the "**Tax Acts**").

13.2. The Service Provider acknowledges that it is aware of its obligations as a taxpayer under the Tax Acts and warrants that it will take all reasonable steps to comply with such obligations.

13.3. Should the Service Provider default in meeting any of its obligations in terms of any Tax Act which includes without being limited thereto the payment of tax as and when required under the aforesaid Tax Acts, the Service Provider acknowledges that the SARS may in terms of the provisions of Section 179 of the Tax Administration Act, 2011 (Act No. 28 of 2011), withhold and/or set off any amount that is or may be due under this Agreement to the Service Provider, in satisfaction of the outstanding tax debt.

13.4. Notwithstanding the right of the Service Provider to terminate this Agreement in terms of **Clause 28** below, the Service Provider shall not be entitled to terminate this Agreement nor suspend and/or cease the provision of the Services to SARS solely as a result of the above-mentioned withholding and/or set-off by SARS as envisaged in this **Clause 13**. Should the Service Provider attempt to terminate or suspend this Agreement and/or cease the provision of the Services in this regard, same shall constitute a material breach of this Agreement.

13.5. The Service Provider undertakes to ensure that the Subcontractor's written agreement to comply with the provisions of this **Clause 13** and that such agreement makes SARS the intended, named third party beneficiary with express rights directly to enforce such an agreement.

14. INTELLECTUAL PROPERTY RIGHTS

14.1. SARS Intellectual Property

14.1.1. 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 continued duration of this Agreement to perform any lawful act including the right to use, copy, maintain, modify, enhance and create derivative works of SARS Intellectual Property (including source

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code materials, programmer interfaces, available documentation, manuals and other materials to the extent available and necessary for the use, modification, or enhancement thereof), for the sole purpose of providing the 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 the prior written consent of SARS, which may be withheld at SARS' sole discretion. Except as otherwise requested or approved by SARS, which approval will be at SARS' sole discretion, the Service Provider will cease all use of SARS Intellectual Property as of the termination or expiration date of this Agreement or the date of completion of the Services where such date is earlier.

14.1.2. For the avoidance of doubt, the Parties record and agree that the provisions of **clause 14.1.1** above will be extended to the Subcontractor where SARS has agreed to subcontract the Services as envisaged in **clause 5** above. The Service Provider undertakes to obtain the Subcontractor's written agreement to comply with the provision of **clause 14.1.1** above and shall ensure that such agreement makes SARS the intended, named third party beneficiary with express rights directly to enforce the agreement.

14.1.3. All license rights granted by SARS in terms of **clauses 14.1.1** and **14.1.2** above shall expire as of the effective date of termination or expiration of this Agreement. SARS may also terminate such licensed rights in the event:

14.1.3.1. there is a breach of this **clause 14.1** by the Service Provider and/or Subcontractor; and/or

14.1.3.2. the Agreement is terminated in part by the Parties.

14.2. **Intellectual Property Developed During the Term**

14.2.1. SARS will have all right, title and interest in all Intellectual Property developed or generated for SARS in the course of providing the Services including the Intellectual Property developed, generated and/or created as well as any modification, enhancement or derivative work created by the Service Provider Personnel during the Term or jointly by SARS and the Service Provider Personnel during the Term, as well as any modifications, enhancements or derivative work ("**Developed Intellectual Property**").

14.2.2. Where the Developed Intellectual Property is developed, generated and/or created by the Service Provider Personnel and/or jointly by SARS and the Service Provider Personnel as envisaged in **clause 14.2.1** above, the Service Provider hereby irrevocably assigns, transfers and conveys to SARS without further consideration all of its rights, title and interest in such Developed Intellectual Property and shall further ensure that the Service Provider

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Personnel's right, title and interest in the Developed Intellectual Property is also assigned, transferred and conveyed irrevocably to SARS by the Service Provider Personnel without further consideration. For the avoidance of doubt, the Parties record and agree that in the event that the Service Provider Personnel in as far as the Developed Intellectual Property is concerned, includes the Subcontractor and/or its staff, the Service Provider shall obtain a written agreement from the Subcontractor and its staff to irrevocably assign, transfer and convey to SARS without consideration all of its rights, title and interest in such Developed Intellectual Property and shall ensure that such agreement makes SARS the intended, named third party beneficiary with express rights directly to enforce the agreement.

14.2.3. The Service Provider (subject to the provisions of **clause 14.2.2** above) agrees to execute any documents or take any other actions as may reasonably be necessary, or as SARS may reasonably request in writing, to effect the transfer of the Developed Intellectual Property as envisaged in **clause 14.2.2** above, to SARS and further, hereby irrevocably grants to SARS its power of attorney *in rem suam* with the right on behalf of the Service Provider to sign all such deeds and documents and to take all such actions as may be necessary for SARS to effect its rights of ownership over such Developed Intellectual Property should the Service Provider fail to comply with any such written request.

14.2.4. The Service Provider (subject to the provisions of **clause 14.2.3** above), shall provide SARS with a current copy of the source code (including programmer's notes and related technical information with respect to the design, use operation and maintenance of the Developed Intellectual Property at the time it delivers such Development Intellectual Property to SARS as envisaged in **clause 14.2.2** above and/or at time it starts using it to provide the Services. The Service Provider shall promptly provide SARS with the revised copies of the source code (and associated programmer's notes and related documentation) to reflect any updates, upgrades, enhancements or other changes at the time it implements the updates, upgrade, enhancements or other changes or begins using an update upgrade enhancements or other change to provide the Services. The notes and information shall be sufficiently clear and detailed so that a reasonably capable programmer can reasonably be expected to maintain the Developed Intellectual Property, as the case may be when using the source code.

14.2.5. Unless otherwise agreed, where the Developed Intellectual Property incorporates the Service Provider Intellectual Property, systems, and processes that the Service Provider did not develop in the course of providing the Services, the Service Provider hereby grants SARS an irrevocable, perpetual, world-wide, fully paid-up, royalty-free, non-exclusive licence for SARS, SARS Personnel and agents to perform any lawful act, including the right to use, copy, maintain, modify, enhance and create derivative works of such Service Provider

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Intellectual Property insofar as it forms part of the Developed Intellectual Property.

14.3. **Service Provider Intellectual Property**

14.3.1. The Service Provider shall (subject to **clause 14.2.2** above), be the sole and exclusive owner of the Service Provider Intellectual Property.

14.3.2. Subject to **clause 14.2.4** above, the Service Provider retains all right, title and interest in and to the Service Provider Intellectual Property that is used in connection with the Services. The Service Provider grants to SARS an irrevocable, perpetual, fully paid-up, royalty-free, non-exclusive licence for SARS to receive and realise the benefit of the Services during the Term and during the Disengagement Assistance Period.

14.4. **Third Party Intellectual Property**

14.4.1. The Service Provider will not incorporate any Third-Party Intellectual Property into any Developed Intellectual Property nor introduce into SARS' environment any Third-Party Intellectual Property, including open-source software, without first obtaining SARS' prior written consent thereto. The Service Provider will, where required, be responsible for obtaining a licence on behalf of SARS, at the Service Provider's cost and in SARS' name, to use such Third-Party Intellectual Property from the Third Party. The Service Provider is required to perform the 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 as contemplated in **clause 14.6.1** below. For the avoidance of doubt, the Parties record and agree that the provisions of **clause 14.1.1** above shall only be extended to the Subcontractor if SARS has agreed to subcontract the Services as envisaged in **clause 5** above. The Service Provider undertakes to ensure compliance by the Subcontractor with the provisions of this **clause 14.4**.

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

14.5.1. The Service Provider will not use any Third-Party Intellectual Property licensed to SARS whether to provide the Services to SARS or for any other purpose whatsoever, unless a prior written consent was obtained from SARS and, if required, the Third-Party licensor. 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 use such Intellectual Property

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strictly in accordance with the provisions of the relevant Required 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.

14.5.2. For the avoidance of doubt, the Parties record and agree that the provisions of **clause 14.1.1** above will only be extended to the Subcontractor if SARS has agreed to subcontract the Services as envisaged in **clause 5** above. The Service Provider undertakes to ensure compliance by the Subcontractor with the provisions of this **clause 14.5**.

14.6. **Required Consents and License Fees**

14.6.1. The Service Provider will, at its cost and expense, obtain all Required Consents with respect to any Third-Party Intellectual Property required by it to provide the Services.

14.6.2. The Service Provider will be responsible for all financial liability related to licence and maintenance fees under SARS' agreements with Third Parties for the licence and maintenance of any Third-Party Intellectual Property to the extent that such liability arises from the Service Provider's use, support, maintenance or access to such Third-Party Intellectual Property.

14.6.3. The Service Provider will be financially responsible for any licence and maintenance fees under the Service Provider's agreements with Third Parties for the licensing and maintenance of any Third-Party Intellectual Property.

14.6.4. For the avoidance of doubt, the Parties record and agree that the provisions of **clause 14.1.1** above will only be extended to the Subcontractor if SARS has agreed to subcontract the Services as envisaged in **clause 5** above. The Service Provider undertakes to ensure compliance by the Subcontractor with the provisions of this clause.

14.7. **Residual Knowledge**

14.7.1. Nothing contained in this Agreement will restrict either Party from the use in its business activities of any generic ideas, concepts, know-how, or techniques developed or learned by such Party pursuant to this Agreement, provided that in doing so such Party does not:

14.7.1.1. disclose Confidential Information to Third Parties;

14.7.1.2. infringe any Intellectual Property Rights of the other Party and/or Third Parties; or

14.7.1.3. use any such residual knowledge or assist or enable any Third Party to use such residual knowledge to the detriment of SARS.

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14.8. **Licence Limitations**

14.8.1. Except for the licence rights contained in this **clause 14**, neither this Agreement nor any disclosure made hereunder grants any licence to either Party or any Third Party in respect of any Intellectual Property Rights of the other Party.

15. OPERATIONAL CHANGE CONTROL

15.1. The Service Provider will control and manage changes to all aspects of the Services and to the environment in which it provides the Services in accordance with SARS' change management standards and procedures detailed in **Schedule B (Service Management Services)**, **Schedule B-x** and **Schedule E (Governance)**.

16. REVIEW AND ACCEPTANCE OF DELIVERABLES

16.1. All deliverables delivered by the Service Provider to SARS pursuant to this Agreement will be subject to SARS' review, approval and acceptance requirements as may be detailed in **Schedule B (Service Management Services)**, **Schedule B-S** and **Schedule C (Service Levels)** hereto.

17. SAFEGUARDING OF CONFIDENTIAL INFORMATION

17.1. **Acknowledgment** of Importance of Confidential Information

The Receiving Party acknowledges:

17.1.1. the great importance of the Confidential Information to the Disclosing Party and, where applicable, Third Party proprietors of such information, and recognises that the Disclosing Party and/or Third Party proprietors may suffer irreparable harm or loss in the event of such information being disclosed or used otherwise than in terms of this Agreement; and

17.1.2. that all Confidential Information of the Disclosing Party that comes to the knowledge of the Receiving Party is proprietary to the Disclosing Party or, where applicable, the relevant Third Party proprietor. The Receiving Party also acknowledges that nothing in this Agreement confers any rights or licence to Confidential Information on the Receiving Party.

17.2. **Data protection**

17.2.1. The Service Provider acknowledges that in the course of the provision of the Services it may become privy to SARS's Confidential Information.

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17.2.2. 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 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 17.2.2 on reasonable notice and request.

17.2.3. 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.

17.2.4. The Service Provider shall ensure that all SARS's Confidential Information and information provided to it by SARS in order to render the Services is logically and separated stored 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.

17.2.5. The security measures to be taken by the Service Provider in terms of Clause 17 must:

17.2.5.1. not be less rigorous than the security safeguards 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 Privacy Legislation; and

17.2.5.2. enable SARS and the Service Provider to conform to Applicable Law, including:

17.2.5.3. Data protection legislation

17.2.5.4. the Electronic Communications and Transactions Act, 2002 (Act No 25 of 2002); and

17.2.5.5. the Tax Acts;

17.2.5.6. 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 17.2.

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17.3. **Processing of Personal Information**

17.3.1. 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.

17.3.2. If at any time the Service Provider suspects or has 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 condition of POPIA and/or where applicable the Data Privacy Legislation.

17.3.3. the Service Provider agrees that, in regard to the Personal Information which SARS obtains from Taxpayers, it shall –

17.3.3.1. only Process the Personal Information subject to the privacy and data protection requirement 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 set out in the Agreement or as otherwise notified by SARS to the Service Provider from time to time);

17.3.3.2. 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 and relation to the performance of the services;

17.3.3.3. not maintain records of the Personal Information for longer than 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 requested in writing by SARS;

17.3.3.4. 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 and where applicable Subcontractors in their role as Operators, comply in all respect with the technical safeguard and organisation

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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;

17.3.3.5. keep all Personal Information and any analyses, profiles or documents derived therefrom separate from all other data and documentation of the Service Provider;

17.3.3.6. Ensure that compliance to requirement of section 57 and section 58 of POPIA are followed where processing is subject to prior authorisation of the authority;

17.3.3.7. Process the personal information in accordance with privacy and data protection requirement and/or requirements prescribed by Data Privacy Legislation where binding on SARS as the Responsible Party; and

17.3.3.8. keep the Personal Information in accordance with POPIA and/or Data Legislation binding on SARS; and

17.3.3.9. co-operate as requested by SARS to enable SARS to comply with or exercise rights of Data Subject under POPIA and/or Data Legislation if binding of SARS in respect of Personal Information Processed by the Service Provide and/or Service Provider Personnel under the Agreement or comply with any assessment, enquiry, notice or investigation under the SARS Act 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 and/or Data Legislation if binding on SARS.

17.3.4. The Service Provider shall provide cooperation 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

17.3.5. 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, Subcontractor and/or breach of any of the provisions of this Clause 17.3.

17.4. **Protection of Personal Information**

17.4.1. 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.

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

17.4.2.1. in compliance with POPIA and where binding on a Party, Data Legislation;

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

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

17.4.2.4. for internal business-related purposes; and

17.4.2.5. in accordance with the lawful Purpose and reasonable instructions of the Responsible Party.

17.4.3. Both parties shall:

17.4.3.1. in dealing with the Personal Information either as the Responsible Operator and/or Processor comply with the specific security and data protection obligations imposed on them in terms of POPIA and where binding on them or Data Protection Legislation; and/or

17.4.3.2. where applicable, comply with the specific obligations imposed on them in terms of POPIA or Data Protection Legislation in respect of the specific role they fulfil either as the Operator, Processor or Responsible Party in terms of providing the Services as agreed between the Parties;

17.4.3.3. 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 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.

17.4.4. 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 Protection Agreement signed with the Responsible Party.

17.4.5. Neither the Service Provider nor Subcontractor in line with their role as the Operator and/or Processor shall not be entitled to Process the Personal Information with any other third party except for the Service Provider Personnel (subject to signing of the Data Protection 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.

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17.4.6. 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.

17.4.7. 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.

17.4.8. 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.

17.4.9. The Service Provider shall not Process the Personal Information to:

17.4.9.1. an outsourced information technology service provider; or

17.4.9.2. another country, including the use of cloud-based solutions (unless those solution are approved by SARS and compliant with POPIA); or

17.4.9.3. an Affiliate

without prior written consent of SARS and the Data Subject or existing Data Processing Agreement.

17.4.10. Where consent has been granted in terms of Clause 17.4. above, the Service Provider undertakes in relation to Clauses 17.4.12 and 17.5 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 this agreement and provision of the POPIA Act and/or Data Legislation binding on it (where applicable).

17.4.11. 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 of whether a Service Provider personnel, Subcontractor performs such role under the instruction of SARS as a Responsible Party.

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17.4.12. 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.

17.4.13. Service Provider represents and warrants in favour of SARS that:

17.4.13.1. 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

17.4.13.2. it has establishment POPIA compliance programme to manage and maintain POPIA compliance.

17.4.14. For these purposes, and not withstanding that a Subcontractor will be processing personal information in terms of the agreement and not the Service Provider, the Service Provider hereby indemnifies and holds SARS harmless against all Losses incurred by SARS as a result of any Personal Information Breaches by the Service Provider and/or a Subcontractor and/or breach of any of the provisions of this Clauses17.2,17.3 and 17.4.

17.5. **Non-Disclosure**

The Receiving Party agrees:

17.5.1. except as permitted by this Agreement, not to disclose or publish any Confidential Information in any manner, for any reason or purpose whatsoever without the prior written consent of the Disclosing Party;

17.5.2. notwithstanding the foregoing, the Service Provider may, subject to **clause 17.9** below, disclose such information to 1 (one) or more Third Parties performing services required hereunder where:

17.5.2.1. such Third Party is performing services in terms of this Agreement;

17.5.2.2. such disclosure is necessary or otherwise naturally occurs in that entity's scope of responsibility; and

17.5.2.3. the Third Party agrees or has agreed in writing to assume the obligations described in this **clause 17**;

17.5.3. except as permitted by this Agreement, not to utilise, employ, exploit or in any other manner whatsoever use the Confidential Information for any purpose whatsoever without the prior

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written consent of the Disclosing Party and, in the event that the Confidential Information is proprietary to a Third Party, it will also be incumbent on the Receiving Party to obtain the consent of such Third Party;

17.5.4. to restrict the dissemination of the Confidential Information only to those of its personnel who are actively involved in activities for which use of Confidential Information is authorised and then only on a 'need to know' basis and the Receiving Party will initiate, maintain and monitor internal security procedures reasonably acceptable to the Disclosing Party to prevent unauthorised disclosure by its personnel;

17.5.5. to take all practical steps, both before and after disclosure, to impress upon its personnel who are given access to Confidential Information the secret and confidential nature thereof; and

17.5.6. notwithstanding the foregoing, SARS may disclose to Third Parties the Confidential Information of the Service Provider to the extent required to exercise its rights under this Agreement (including **Schedule F** (**Disengagement Assistance**) provided SARS obtains the written agreement of such Third Party to a confidentiality agreement materially consistent with the confidentiality provisions set out in this **clause 17**.

17.6. **Standard of Care**

17.6.1. The Receiving Party will protect the Confidential Information of the Disclosing Party in the manner that it employs to protect its own Confidential Information. In no event will the Receiving Party use less than Commercially Reasonable Efforts to protect the confidentiality of the Confidential Information of the Disclosing Party.

17.6.2. The Service Provider will ensure that no Service Provider Personnel or any other parties access any Confidential Information unless required to do so to perform the Services.

17.6.3. In addition, the Service Provider will implement on or before the Effective Date, and thereafter maintain, appropriate safeguards against the unauthorised access to, and destruction, loss, or alteration of, SARS data in the Service Provider's possession and to which the Service Provider may have access. Such safeguards must be acceptable to SARS and in accordance with all policies and procedures of SARS regarding data access, privacy and security and no less rigorous than the most rigorous of the practices maintained by SARS or the Service Provider as of the Effective Date.

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17.6.4. In the event that SARS grants the Service Provider permission to remotely access SARS' hardware, Software, Internet facilities, data, electronic communications facilities and/or network facilities, the Service Provider will adhere to all SARS' policies applicable to remote access, which are available to the Service Provider on request.

17.7. **Procure Undertakings from Personnel**

17.7.1. The Service Provider will ensure that each of the Service Provider Personnel execute SARS Oath / Affirmation of Secrecy, prior to performing any of the Services under this Agreement or being given access to any facilities used to perform the Services, and as may be required by SARS from time to time.

17.7.2. The Service Provider will ensure that the Service Provider Personnel who have access to Confidential Information of SARS give a written undertaking in favour of SARS in regard to the Confidential Information on substantially the same terms and conditions contained within this Agreement in a form prescribed by SARS prior to access to any Confidential Information.

17.7.3. SARS will be entitled to deny the Service Provider Personnel access to SARS Facilities or prevent the Service Provider Personnel from conducting any work in relation to the Services should SARS not be in receipt of SARS Oath / Affirmation of Secrecy or the integrity screening report referred to in clause 18.1.1 below and, if required by SARS, a signed undertaking on such terms and conditions as determined by SARS.

17.7.4. The Service Provider's failure to provide the undertaking and/or SARS Oath / Affirmation of Secrecy or the integrity screening report referred to in clause 18.1.1 below, and/or SARS' failure to receive such undertaking will in no way detract the Service Provider's obligations in terms of this Agreement.

17.7.5. The Service Provider will comply with and will procure that all the Service Provider Personnel comply with all security measures imposed by SARS regarding security and access to the SARS Facilities, including SARS' integrity and security competence requirements provided for in clause 18 below of this Agreement.

17.8. **Exceptions**

17.8.1. The Parties acknowledge that subject to Applicable Law this clause 17 will not be applicable where the Receiving Party discloses the Confidential Information to attorneys or auditors, provided that: (i) such disclosure is reasonably required by the Receiving Party for the purposes of conducting its business activities; and (ii) the auditors agree in writing to be

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bound by the provisions of this clause 17 and complete and submit the SARS Oath / Affirmation of Secrecy to SARS and (iii) The Disclosing Party is provided with 15 days written notice prior to such Confidential Information being disclosed.

17.9. **Disclosure Required by Law, Regulation or Court Order**

17.9.1. In the event that the Receiving Party is required to disclose the Confidential Information of the Disclosing Party in terms of a requirement or request by operation of law, regulation or court order but only to the extent so disclosed and only in the specific instance and under the specific circumstances in which it is required to be disclosed, the Receiving Party will:

17.9.1.1. advise the Disclosing Party thereof in writing prior to disclosure, if possible;

17.9.1.2. take such steps to limit the extent of the disclosure to the extent that it lawfully and reasonably practically can;

17.9.1.3. afford the Disclosing Party a reasonable opportunity, if possible, to intervene in the proceedings; and

17.9.1.4. comply with the Disclosing Party's requests as to the manner and terms of any such disclosure.

17.10. **Loss of Confidential Information**

17.10.1. In the event of any unauthorised disclosure or loss of, or inability to account for any Confidential Information of the Disclosing Party, the Receiving Party will promptly:

17.10.2. notify the Disclosing Party in writing;

17.10.3. at its own expense take such actions as may be necessary or reasonably requested by the Disclosing Party to minimise the violation; and

17.10.4. at its own expense co-operate in all reasonable respects with the Disclosing Party to minimise the violation and any damage resulting there from.

17.11. **Return of Confidential Information**

17.11.1. SARS may at any time on written instruction to the Service Provider require that the Service Provider immediately return to SARS, in a form reasonably acceptable to SARS, and thereafter destroy all remaining copies of SARS Confidential Information in possession of the Service Provider Personnel and/or Subcontractors (including where applicable by

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electronically deleting the same in such manner that it is completely and utterly irretrievable). In addition, SARS may instruct that the Service Provider furnishes a written statement to the effect that upon such return it has not retained in its possession or under its control, either directly or indirectly, any such Confidential Information or material and has fully complied with the foregoing return and destruction obligations.

18. INTEGRITY AND SECURITY COMPETENCE

18.1. Background Verification and Company Screening

18.1.1. Pre-employment Screening and Company Screening shall be undertaken as part of the onboarding process. As confirmation of Service Provider Personnel's citizenship, criminal record status, credit-worthiness, academic qualifications and membership of professional associations, the Service Provider shall conduct (**at its own cost**) a background check on every person whom it intends to delegate/assign to SARS for the fulfilment of its obligations in terms of this Agreement.

18.1.2. The Service Provider shall provide SARS with a Personal Credential Verification (PCV) report together with a completed Candidate Declaration Form for each member of its Personnel referred to in **clause 18.1.1** above, prior to Effective Date. SARS' screening section will conduct due diligence and additional checks, as part of the pre-employment screening process. , where it is impossible to provide the report prior to Effective Date, the Service Provider shall refrain from delegating a Service Provider Personnel without it first providing such a report to SARS.

18.1.3. The PCV reports referred to in **clause 18.1.1** above, shall be issued by a reputable screening agency. **[NOTE TO BIDDER: THE LIST OF SCREENING AGENCIES ACCEPTABLE TO SARS WILL BE AGREED BETWEEN THE PARTIES PRIOR TO EFFECTIVE DATE]**

18.1.4. The validity of PCV reports referred to in **clause 18.1.1** shall not be older than 12 (twelve)three (3) months as at Effective Date and shall be updated as reasonably required by SARS from time to time.

18.1.5. The Service Provider shall provide SARS with suitable, fit and proper Service Provider Personnel as a replacement of the individual member whose updated report reveals evidence that he/she does not meet SARS' integrity and security competence (vetting) requirements.

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18.1.6. The report referred to in **clause 18.1.1** above must include the verification of the following, amongst others:

18.1.6.1. Citizenship, including residency status;

18.1.6.2. ID Verification and Validation

18.1.6.3. Criminal record;

18.1.6.4. Credit record;

18.1.6.5. Academic qualifications including matric certificate or equivalent record; and

18.1.6.6. Professional association memberships.

18.2. The Service Provider will provide SARS with a quarterly written report, confirming that screening reports have been completed and provided to SARS for all Service Provider Personnel it has delegated/assigned to SARS for the fulfilment of its obligations in terms of this Agreement.

18.3. SARS reserves the right to verify any such report(s) provided by the Service Provider.

18.4. Apart from Service Provider Personnel being screened, **the company itself and its directors must also be screened**. All Required information and documents, must be submitted to SARS (Vetting Screening and Conflict of Interest Unit), by the Service Provider (successful bidder) and its Directors.

18.5. Service Provider Personnel who have access to confidential/critical SARS information/infrastructure shall be subjected to the security vetting process, as per the SARS vetting Policy.

19. SECURITY COMPETENCE

19.1. The Service Provider Personnel delegated/assigned to provide the Services to SARS in terms of this Agreement who have access, or who are reasonably expected to have access, to SARS' Confidential Information, critical infrastructure or SARS' restricted areas, shall at all times during the subsistence of this Agreement, be subject to SARS policies and procedures regarding integrity, security competence, security and encryption.

20. WARRANTIES

20.1. Service Provider warrant to procure the Services for Charges that: (i) reflect SARS'

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consumption; (ii) are predictable and controllable; and (iii) are at or below the South African market price for similar services throughout the Term and tariffs charged to SARS shall not exceed any retail price advertised by the Service Provider, Service Provider ensures SARS benefits from any benefits not on commercial terms that are less favourable than that offered by the Service Provider for its other customers for similar services;

20.2. **Work Standards**

20.2.1. The Service Provider warrants that the Services will be performed with promptness and diligence and executed in a workmanlike manner, in terms of the practices and professional standards used in well-managed operations performing services similar to the Services.

20.3. **Manner of Performance**

20.3.1. The Service Provider warrants that the Services will at all times be performed in a manner which will: (i) not diminish SARS' reputation; and (ii) not be detrimental to SARS.

20.4. **Business Continuity Services**

20.4.1. The Service Provider warrants that it has suitable and tested Business Continuity Plans in place in order to ensure continuity of the Services in the event of a Disaster.

20.5. **Service Provider Personnel**

20.5.1. The Service Provider warrants that it will use adequate numbers of qualified individuals with suitable training, education, experience, and skill to perform the Services in terms of this Agreement and the Performance Standards.

20.5.2. The Service Provider further warrants that it shall ensure that the Service Provider Personnel undergo and comply with the integrity and security competence requirements provided for in clause 18 above.

20.6. **Protecting SARS Confidential Information**

20.6.1. The Service Provider warrants that it will at all times comply with its obligations to establish and maintain such procedures as may be necessary to ensure that all Confidential Information to which the Service Provider has access is not accessible to unauthorised persons, is not altered, lost or destroyed and it is capable of being retrieved only by persons duly authorised by SARS.

20.6.2. The Service Provider hereby further warrants in favour of SARS that it will at all times strictly

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comply with all Applicable Laws relating to the protection of data and personal information, including the Tax Administration Act, 2011 (Act No. 28 of 2011) and any other tax act administered by the Commissioner for SARS, and with all the provisions and requirements of policies and procedures, as amended from time to time, for the protection of Confidential Information (including encryption standards), and any further requirements of which SARS may, from time to time, advise the Service Provider in writing, or which may be required by Applicable Laws, whether within the Republic of South Africa or elsewhere in the world. SARS Confidential Information protection policies and procedures will be made available to the Service Provider on request. It is incumbent on the Service Provider to ensure, for the duration of this Agreement, that: (i) it remains fully cognisant of Applicable Laws relating to data and personal information protection; and (ii) requests and obtains from SARS the latest versions of SARS Confidential Information protection policies and procedures.

20.6.3. The Service Provider hereby further warrants that it will not, at any time copy, compile, collect, collate, process, mine, store, transfer, alter, delete, interfere with or in any other manner use the Confidential Information for any purpose other than to provide the Services to SARS.

20.6.4. The Service Provider further warrants that it will ensure that all its systems and operations which it uses to provide the Services, including all systems on which Confidential Information is copied, compiled, collected, collated, processed, mined, stored, transmitted, altered or deleted or otherwise used as part of providing the Services, will at all times be of at least the minimum standard required under Applicable Law and further be of a standard no less than the standards which are in compliance with best practice for the protection, control and use of such data.

20.7. **Non-Infringement**

20.7.1. The Service Provider warrants that:

20.7.2. it will perform its responsibilities under the Agreement in a manner that does not infringe or constitute an infringement or misappropriation of any patent, copyright, trademark, trade secret or other intellectual property or proprietary rights of SARS and/or any Third Party; and

20.7.3. the assets it uses to perform the Services will not infringe, or constitute an infringement or misappropriation of, any patent, copyright, trademark, trade secret or other intellectual property or proprietary rights of SARS and/or any Third Party.

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20.8. **Authorisation**

20.8.1. **[Note to Bidder: The successful Bidder will be required to obtain a Board Resolution authorising the successful Bidder's signatory to enter into this Agreement]**

20.8.2. Each Party warrants to the other that it has the requisite authority to enter into this Agreement.

20.8.3. The Service Provider further warrants that as at the Effective Date and during the Term: (i) it 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 Services under this Agreement; and (ii) it will comply with all legal requirements and with the terms and conditions of all licences, certificates, authorisations and consents required for the provision of the Services.

20.9. **Inducements**

20.9.1. Each Party warrants to the other that it has not violated any Applicable Laws, regulations or policies of the other of which it has been given notice, regarding the offering of unlawful inducements in connection with this Agreement.

20.10. **Disabling Code**

20.10.1. The Service Provider warrants that:

20.10.2. it will not use, or authorise the Service Provider Personnel, Subcontractors and/or Third Parties, to use any code that would have the effect of disabling or otherwise shutting down all or any portion of the Services; and

20.10.3. with respect to any disabling code that may be part of any Software in any way related to the provision of the Services, the Service Provider will notify SARS, on becoming aware of any disabling code that may be part of any Software in any way related to the provision of the Services and the Service Provider will not invoke, or authorise the Service Provider Personnel, Subcontractor and/or a Third Party to invoke, such disabling code at any time, including upon expiration or termination of this Agreement for any reason.

20.11. **Service Level Measurement**

20.11.1. The Service Provider warrants that the steps, Tools, processes, workflows and interfaces for measuring the Service Provider's performance against the Service Levels will, on a Service Level by Service Level basis, produce a system of measuring the Service

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Provider's performance against the Service Level that is as objective and automated as systems for measuring a similar service level deployed in comparable, well-managed commercial environments by a professional service providers performing services similar to the Services.

20.12. **Tax Compliance**

20.12.1. The Service Provider warrants that as of the Effective Date, and its Subcontractors are in full compliance and will, throughout the Term, remain in full compliance with all Applicable Laws relating to taxation in South Africa.

20.12.2. The Service Provider undertakes that it will inform SARS should it become aware that the Service Provider and/or any of its Subcontractors are not tax compliant.

20.12.3. If SARS becomes aware of any such tax non-compliance of the Service Provider and/or its Subcontractors and should such non-compliance not be remedied within 3 (three) months (or such other shorter period as the Applicable Law may prescribe) after SARS has given notice to the Service Provider to remedy such non-compliance, such non-compliance will be deemed to constitute a material breach of this Agreement by the Service Provider.

20.12.4. SARS will be entitled to all remedies (including termination for cause) provided for in this Agreement pursuant to a material breach hereof by the Service Provider or SARS may in the alternative (at its sole discretion) upon written notice, require the Service Provider to remedy the material breach. In the case of non-compliance by a Subcontractor the Service Provider will ensure that the Subcontractor immediately ceases providing Services to SARS. SARS will have no liability to the Service Provider with respect to a termination under this **clause**.

20.12.5. The Service Provider further warrants that on the Effective Date and during the subsistence of the agreement ensure that its Tax affairs are compliant in respect of the Service Provider and each Subcontractor. Such failure is not due to any act and/or omission by SARS SARS may terminate the Agreement on 30 (thirty) days' notice(i) in respect of Service Provider and (ii) in respect of the Subcontractor.

20.12.6. SARS may direct the Service Provider to procure that the Subcontractor immediately ceases providing Services pursuant to the subcontract's non-compliance. SARS will have no liability to the Service Provider with respect to a termination under this **clause**Error! Reference source not found..

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20.13. **Legal and Regulatory Compliance**

20.13.1. The Service Provider warrants that it and its Subcontractors are and will remain for the duration of this Agreement, fully cognisant of and compliant with any relevant legislative or regulatory requirements (as may be amended from time to time) 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 deliverables under the Agreement.

20.13.2. The Service Provider will, within 14 (fourteen) days of the Effective Date, and on every anniversary of the Effective Date during the Term, furnish SARS with copies of all regulated licences (including all amendments and renewals as well as copies of all radio frequency spectrum licences) granted to the Service Provider by the Independent Communications Authority of South Africa 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.

20.14. **Documentation**

20.14.1. The Service Provider warrants that it will provide and maintain such documentation as is authored by or on behalf of the Service Provider so that it: (i) accurately reflects the operations and capabilities of any corresponding deliverables; (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.

20.15. **Conflicts of Interest**

20.15.1. The Service Provider warrants that neither it nor any member of the Service Provider Personnel:

20.15.2. will have or will acquire any direct or indirect contractual, financial, business or other interest or advantage that would conflict in any manner or degree with the Service Provider's performance of its duties and responsibilities to SARS under this Agreement and the Service Provider will promptly inform SARS of any such interest that may be incompatible with the interests of SARS;

20.15.3. has used or will use the authority provided or to be provided under this Agreement to improperly obtain financial gain, advantage or benefit;

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20.15.4. has used or will use any SARS Confidential Information acquired in connection with this Agreement to obtain financial gain, advantage or benefit;

20.15.5. has accepted or will accept anything of value or an inducement that could provide a financial gain, advantage or benefit, based on an understanding that the actions of the Service Provider or the Service Provider Personnel on behalf of SARS could be influenced thereby; and

20.15.6. has paid or agreed to pay any Person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or resulting from the award or execution of this Agreement, save for such remuneration as is paid *bona fide* to the Service Provider Personnel working solely for the Service Provider or any of the Service Provider's Subcontractors.

20.16. The Service Provider warrants that it will not attempt to influence any SARS Personnel by the direct or indirect offer of anything of value or an inducement.

20.17. **Broad-Based Black Economic Empowerment Compliance**

20.17.1. 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.

20.17.2. In pursuance of this objective the Service Provider commits and warrants to comply in all respects with the requirements of the B-BBEE and B-BBEE Codes issued in terms of the B-BBEE Act.

20.17.3. 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 B-BBEE Status from an agency accredited by SANAS or IRBA.

20.17.4. 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 B-BBEE Status.

20.17.5. A failure to provide a certified copy of its B-BBEE Status or a failure to comply with the provisions of this Clause will entitle SARS to terminate the Agreement by giving the Service Provider one (1) month’s written notice.

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21. INSURANCE AND RISK OF LOSS

21.1. **Insurance**

21.1.1. The Service Provider will, at its own cost and expense, during the Term have and maintain in force, to the reasonable satisfaction of SARS, sufficient insurance cover to cover all of its obligations and liabilities under this Agreement, consistent with acceptable and prudent business practices, including:

21.1.2. insurance cover, in accordance with the Service Provider's insurance cover as of the date of last signature of this Agreement as disclosed to SARS and attached hereto as **Schedule I (Service Provider's Insurance Policies)**, affording sufficient cover in order to cover the Service Provider's potential liability in terms of **clause 21.1.1**; and

21.1.3. run-off cover identical to that contemplated in **clause 21.1.1** above, for a period of 2 (two) years, subsequent to termination or expiration of the term of this Agreement.

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

21.2.1. Without limiting the generality of SARS' rights and remedies hereunder, in the event of a failure by the Service Provider to maintain any insurance required hereunder, or to provide evidence of renewal at least 3 (three) business days prior to expiration of the applicable insurance cover, on 3 (three) business days' notice to the Service Provider, SARS may purchase the requisite insurance and deduct the costs thereof from any amounts owed to the Service Provider under this Agreement.

21.3. **Risk of Loss**

21.3.1. The Service Provider will be responsible for risk of loss of, and damage to, any SARS Facilities, SARS Assets as well as any hardware, software that it may have in its possession or under its control. Any SARS Facilities, SARS Assets as well as any hardware or Software in the possession or control of the Service Provider's Subcontractors or agents (including couriers, freight companies and the like) will be deemed to be under the control of the Service Provider.

21.3.2. Where any SARS Facilities, SARS Assets, hardware, software, equipment, materials, documents, records, or other property belonging to or made available by SARS are lost, damaged, destroyed, misused, or rendered unavailable while in the possession, custody, or control of the Service Provider, its Subcontractors, agents, employees, representatives, or any other person acting on its behalf, the Service Provider shall be liable to SARS for all consequences arising from such loss or damage.

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21.3.3. Without limiting any other rights or remedies available to SARS, the Service Provider shall, at its own cost and to the satisfaction of SARS:

21.3.4. immediately notify SARS in writing of the loss or damage, including the circumstances giving rise to it and the steps taken to mitigate its effects;

21.3.5. take all reasonable steps to safeguard, recover, repair, reinstate, or replace the affected SARS Facilities, SARS Assets, hardware, software, equipment, materials, documents, records, or other property;

21.3.6. reimburse SARS for any costs, expenses, losses, damages, claims, liabilities, penalties, or third-party charges incurred as a result of such loss or damage;

21.3.7. provide SARS with such information, reports, access, assistance, and co-operation as SARS may reasonably require in connection with any investigation, recovery, insurance claim, audit, or remedial action; and

21.3.8. indemnify and hold SARS harmless against any direct losses, damages, costs, expenses, claims, or liabilities arising from or connected with such loss or damage, except to the extent caused by SARS's wilful misconduct or gross negligence.

21.3.9. The obligations in this clause shall apply irrespective of whether the loss or damage arises from the acts or omissions of the Service Provider or any of its Subcontractors.

22. INDEMNITIES

22.1. **Indemnity by Service Provider**

22.1.1. The Service Provider hereby indemnifies, holds harmless and agrees to defend SARS and SARS Personnel from any and all Losses arising from or in connection with, any of the following:

22.1.2. all claims and any actions taken against SARS in respect of the Service Provider's non-compliance with legislation and regulations within the scope and responsibility of the Service Provider's provision of the Services.

22.1.3. Third Party claims attributable to the Service Provider's breach of its obligations with respect to Agreement;

22.1.4. Third Party claims attributable to theft, fraud or other unlawful activity or any negligent, wilful or fraudulent misconduct by the Service Provider or the Service Provider Personnel,

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and claims attributable to errors or omissions for which the Service Provider is required to insure under **clause 21.1.1** to the extent of the insurance required there under;

22.1.5. Third Party claims of infringement of any patent, trade secret, trademark, copyright or other proprietary rights, arising out of or relating to the Services, any deliverable and/or technology used and/or provided by the Service Provider or its Subcontractors to provide the Services other than technology and Software owned or provided by SARS;

22.1.6. Third Party claims of infringement of any patent, trade secret, trademark, copyright or other proprietary rights, alleged to have occurred because of hardware or Software provided to the Service Provider by SARS to the extent arising from a change in the use or configuration of such hardware or Software by the Service Provider or its Subcontractors on or after Effective Date;

22.1.7. Third Party claims arising from breach of an agreement between the Service Provider and a Subcontractor or the Service Provider (including claims by the Subcontractor or the Service Provider);

22.1.8. Third Party claims arising from: (i) the Service Provider's failure to observe or perform any duties or obligation in terms of any law, licence, certificate and/or authorisation relating to any legislation governing labour brokers, personal services companies or personal services trusts; and (ii) any Service Provider Personnel instituting any action against SARS in terms of the Labour Relations Act, 1995 (Act No. 66 of 1995), in each case in the event that, in the performance of the Services, the Service Provider is found to be a labour broker, personal services company, or a personal services trust;

22.1.9. claims brought by any Service Provider Personnel based upon any act by the Service Provider, its employees, agents and/or its Subcontractors on or after the Effective Date including, without limitation, any claim arising from **clauses 8.2.2** and **8.5**, any claim relating to the failure to appoint or promote employees by the Service Provider, claims for wages, benefits, discrimination or harassment of any kind, wrongful termination and/or refusal to pay severance or notice pay or termination payments upon leaving the Service Provider's employ;

22.1.10. Third Party claims arising from or related to the death or bodily injury of any agent, employee, customer, business invitee, or business visitor or other person caused by the negligent or wilful conduct of the Service Provider;

22.1.11. Third Party claims arising from or related to damage to tangible personal or real property

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including computer data, data loss or any other damage, notwithstanding the form in which any such action is brought (e.g. contract, *delict* or otherwise), to the extent such injuries or damages arise directly or indirectly from acts, errors or omissions that constitute negligence, wilful misconduct or a contravention of law, by the Service Provider and/or the Service Provider Personnel; and

22.1.12. any Third-Party claim, demand, charge, action, cause of action, or other proceeding asserted against SARS in SARS' capacity as an employer of a person resulting from an act or omission of the Service Provider.

22.2. **Infringement**

22.2.1. If any item used by the Service Provider to provide the Services becomes, or in the Service Provider's reasonable opinion is likely to become, the subject of an infringement or misappropriation claim or proceeding, the Service Provider will, in addition to indemnifying SARS as provided in **clause 22.1** above and to the other rights SARS may have under this Agreement or otherwise, promptly take the following actions, at no additional charge to SARS, in the listed order of priority: (i) secure the right to continue using the item; (ii) replace or modify the item to make it non-infringing, provided that replacement or modification must not degrade performance or quality or increase SARS' costs; or (iii) remove the item from the Services in which case the Service Provider's charges will be equitably adjusted to reflect such removal.

22.3. **Indemnification Procedures**

With respect to Third Party claims, the following procedures will apply:

22.3.1. **Notice:** Promptly after receipt of notice of the commencement or threatened commencement of any civil, criminal, administrative, or investigative action or proceeding involving a claim in respect of which SARS may seek indemnification in terms of this **clause 22**, SARS will notify the Service Provider of such claim in writing. Failure to so notify the Service Provider will not relieve the Service Provider of its obligations under this Agreement except to the extent that it can demonstrate damages attributable to such failure. Within 15 (fifteen) days after receipt of notice from SARS relating to any claim, but (to the extent possible) not later than 10 (ten) days before the date on which any response to a complaint or summons is due, the Service Provider will notify SARS in writing if the Service Provider elects to assume control of the defence and settlement of that claim ("**Notice of Election**").

22.3.2. **Procedure Following Notice of Election**: If the Service Provider delivers a Notice of Election relating to any claim within the required notice period, the Service Provider will be

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entitled to have sole control over the defence and settlement of such claim; provided that: (i) SARS will be entitled to participate in the defence of such claim and to employ counsel at its own expense to assist in the handling of such claim; and (ii) the Service Provider will obtain the prior approval of SARS before entering into any settlement of such claim or ceasing to defend against such claim. After the Service Provider has delivered a Notice of Election relating to any claim in terms of the preceding clause, the Service Provider will not be liable to SARS for any legal expenses incurred by SARS in connection with the defence of that claim. In addition, the Service Provider will not be required to indemnify SARS for any amount paid or payable by SARS in the settlement of any claim for which the Service Provider has delivered a timely Notice of Election if such amount was agreed to without the consent of the Service Provider.

22.3.3. **Procedure Where No Notice of Election Is Delivered**: If the Service Provider does not deliver a Notice of Election relating to any claim within the required notice period, SARS will have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of the Service Provider. The Service Provider will promptly reimburse SARS for all such costs and expenses.

22.3.4. Regardless of the provisions of this **clause 22.3**: (i) SARS will be entitled, prior to permitting the Service Provider control over the defence and settlement of the claim in terms of **clause 22.3.2** above, to require the Service Provider to furnish SARS with security in such form and to such amount as SARS at its discretion may require to ensure that SARS is able to meet the full value of all amounts and costs which may be awarded against SARS or for which SARS may become liable; and (ii) SARS will be entitled to withdraw control of the defence and settlement of the claim if SARS at its discretion but acting reasonably, considers that any act or omission of the Service Provider or the control of the defence and settlement by the Service Provider may in any way be adverse to SARS' good name and reputation.

23. LIABILITY

23.1. Subject to the specific provisions of this **clause 23** and any countervailing provisions in this Agreement, it is the intent of the Parties that each Party will be liable to the other Party for any actual damages incurred by such Party as a result of the other Party's failure to perform its obligations in the manner required by this Agreement.

23.2. **Restrictions**

23.2.1. Subject to **clause 23.2.3** below, in no event will a Party be liable for indirect, special,

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consequential, punitive or exemplary damages or lost profits, or lost revenues, even if such Party has been advised of the possibility of such damages in advance.

23.2.2. Subject to **clause 23.2.3**, each Party's liability to the other Party with respect to a claim or series of related claims, losses, damages or liability in any way arising out of this Agreement, regardless of form or cause of action, will be limited to all Losses which constitute direct and/or general damages.

23.2.3. The limitations set out in **clauses 23.2.1** and **23.2.2** will not apply with respect to:

23.2.3.1. damages occasioned by the wilful misconduct or negligence of the Service Provider and/or the Service Provider Personnel;

23.2.3.2. damages occasioned by a Party's breach of **clause 17** above;

23.2.3.3. damages occasioned by: (i) unlawful termination of this Agreement or (ii) abandonment of the Services by the Service Provider in whole or in part;

23.2.3.4. damages occasioned by breach of Data Protection Legislation

23.2.3.5. claims of personal injury or death, including indemnification for a Third-Party personal injury claim;

23.2.3.6. Service Level Credits; and

23.2.3.7. damages occasioned by a claim against which the Service Provider indemnifies SARS.

23.2.3.8. where such damages are caused by any breach of confidentiality, SARS Intellectual Property Third Party Intellectual Property,

23.3. Each Party will have a duty to mitigate damages for which the other Party is responsible

24. FORCE MAJEURE

24.1.1. Neither Party will be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent that: (i) the default or delay is caused, directly or indirectly, by fire, flood, elements of nature or acts of God, or any other cause beyond the reasonable control of the Party; and (ii) the non-performing Party is without fault and the default or delay could not have been prevented by reasonable precautions ("**Force Majeure Event**"). Subject to **clause 24.1.2** below, in such event, the non-performing Party is excused from further performance for as long as such circumstances prevail and provided the non-performing

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Party continues to use its Commercially Reasonable Efforts to recommence performance. Any Party so delayed will notify the Party to whom performance is due and describe the circumstances causing the delay.

24.1.2. If a Force Majeure Event substantially prevents or delays performance of the Services or any part thereof necessary for the performance of SARS functions that SARS at its discretion reasonably believes to be critical at reasonable levels of service for more than 5 (five) consecutive days (or such longer period as SARS may agree at its sole discretion), then at SARS' option, SARS may:

24.1.2.1. at its expense procure the Services in question from an alternate source, in which case SARS will be relieved of its obligation to pay the Service Provider for such Services for so long as the Service Provider's performance is impaired;

24.1.2.2. terminate the portion of the Agreement affected as of a date specified by SARS and the Charges will be equitably reduced to reflect the termination of the terminated Services; or

24.1.2.3. if a substantial portion of the Services is affected, terminate the Agreement as of a date specified by SARS in a written notice to the Service Provider.

24.1.3. Termination of the Agreement under **clause 24.1.2** above will not be treated as a termination for convenience. SARS will have no liability to the Service Provider for terminating the Agreement.

24.1.4. The Service Provider will not be entitled to rely on the provisions of this **clause 23** as a result of any failed performance by Subcontractors, unless the Subcontractor's failure to perform was caused by a Force Majeure Event and the Subcontractor has made and continues to use its Commercially Reasonable Efforts to recommence performance.

25. AUDITS

25.1. Audit Rights

25.1.1. The Service Provider and its Subcontractors will maintain a complete audit trail of financial and non-financial transactions resulting from the Agreement. The Service Provider will provide to SARS, its internal or external auditors, inspectors and regulators access at all reasonable times to any facility or part of a facility at which either the Service Provider or any of its Subcontractors is providing the Services, to the Service Provider Personnel, and to equipment, Software, personnel, data, records and documentation, including agreements between the Service Provider and its Subcontractors, relating to the Services for the purpose

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of performing audits and inspections of either the Service Provider or its Subcontractors to: (i) verify the accuracy of the Service Provider's Charges and invoices; (ii) verify the accuracy of payments by or credits from the Service Provider; (iii) verify the accuracy of price changes to the extent such changes are determined by reference to the Service Provider's costs or changes thereto; (iv) verify the integrity of, and examine the systems that process, store, support and transmit SARS data; (v) examine the Service Provider's performance of the Services, including verifying compliance with the Performance Standards; (vi) verify compliance with the terms of the Agreement; (vii) satisfy the requirements of any legislative, judicial or regulatory authority having jurisdiction; (viii) to the extent applicable to the Services performed by the Service Provider and/or the Charges therefore, examining: (a) practices and procedures; (b) systems; (c) general controls; and (d) the efficiency of the Service Provider's operation; and (ix) any other audit reasonably required by SARS.

25.1.2. SARS will not use a competitor of the Service Provider to perform an audit under this **clause 25** without the Service Provider's prior approval; provided, however, that the Parties specifically agree that the audit arms of the major accounting firms will not be treated as competitors of the Service Provider.

25.1.3. The Service Provider will provide to the auditors, inspectors and regulators such assistance as they may require, including installing and operating audit Software. In the case of audits other than audits conducted by or on behalf of legislative, judicial or regulatory authorities, SARS' audits will not unreasonably interfere with the Service Provider's normal course of business and will comply with the Service Provider's reasonable confidentiality requirements.

25.1.4. Unless SARS has a good faith suspicion of fraud, SARS will provide the Service Provider with reasonable notice for audits other than security audits and audits conducted by or on behalf of legislative, judicial or regulatory authorities. Audits will take place during business hours, provided that security audits and audits conducted by or on behalf of legislative, judicial or regulatory authorities may take place outside normal business hours at SARS' sole discretion.

25.1.5. 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 scope of the audit exercise conducted, in which event the cost of such audit will be borne by the Service Provider.

25.1.6. If an audit reveals an overcharge, the Service Provider will promptly refund the overcharge plus interest at the Agreement Interest Rate or 15% (fifteen percent) per annum, whichever

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is the highest, from the date of payment of the overcharge through the date the overcharge is refunded by the Service Provider.

25.1.7. All Subcontractors will be obliged to comply with the provisions of this **clause 25**. If the Service Provider seeks to hire a Subcontractor, and such prospective Subcontractor does not grant SARS the audit rights described in this **clause 25**, the Service Provider will: (i) notify SARS of the prospective Subcontractor's refusal to grant such rights; (ii) identify the audit rights the prospective Subcontractor is willing to grant; and (iii) obtain SARS' review and approval of such subcontract. SARS reserves the right to withhold its approval of any subcontract at its sole discretion; and the Service Provider will be obliged to continue providing the Services in accordance with the Performance Standards, notwithstanding SARS' decision to withhold such approval.

25.2. **Audit Follow-Up**

25.2.1. 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.

25.2.2. 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 written approval, the Service Provider will implement such Audit Response Plan at the Service Provider's cost and expense. 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.

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

25.2.4. Promptly after the issuance of any audit report or findings issued under **clause 25.2.3**, the Parties will meet to review such report or findings and to agree on how to respond to the suggested changes.

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25.3. **Records Retention**

25.3.1. The Service Provider will maintain and provide SARS with access to the records, documents and other information required to meet SARS' 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 longer period as required by Applicable Law.

26. BENCHMARKING

26.1. SARS has the right, at its option and not more than once in each Contract Year but not at all within the first 12 (twelve) months of the Commencement Date of a Work Order, to initiate a benchmarking process, in respect of some or all of the Deliverables, in order to evaluate and measure the extent to which SARS is receiving the Deliverables competitively. Such benchmarking exercise includes evaluating the following:

26.1.1. general service levels applicable in Non-intrusive Inspection Scanning and Detection industry including those Service Levels set forth in this Agreement, and to ensure that the Service Provider's achievement with regard to such service levels fall into the best (most favourable to SARS) quartile of assessed service levels of the Service Providers benchmarked in the benchmarking exercise; and/or

26.1.2. the Charges set forth in this Agreement and the Work Order and Change Orders to this Agreement, and to ensure that such Charges fall into the lowest (most favourable to SARS) quartile of assessed charges made for similar Deliverables, including the Service Levels, by the Service Providers benchmarked in the benchmarking exercise.

26.2. **General Rules for Benchmarking**

26.2.1. SARS may request a benchmark of any specific component or all components of the Deliverables. SARS will appoint the Bench marker to conduct the benchmarking exercise.

26.2.2. The Service Provider agrees (as part of the Deliverables) to co-operate fully with the Bench marker performing the benchmarking exercise and to promptly provide all data, documentation, records, and resources necessary or relating to the provision of the Deliverables to SARS requested by the Bench marker.

26.2.3. SARS will direct the Bench marker to select a representative sample of transactions to use in the benchmarking, which may include some transactions for which the Service Provider is also the Service Provider and to perform any normalisation that the Bench marker deems at its sole discretion to be necessary.

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26.2.4. The Bench marker will enter into a confidentiality agreement with the Parties on terms reasonably acceptable to both Parties prior to being provided with Confidential Information of either Party.

26.2.5. The Bench marker will be directed to use Commercially Reasonable Efforts to complete its analysis within 90 (ninety) days after its engagement, to the extent practical.

26.2.6. Unless otherwise agreed by the Parties, the Bench marker will perform the benchmarking exercise in accordance with the Bench marker's documented methodologies and procedures which will be provided to the Parties prior to the commencement of the benchmarking exercise. The Bench marker may (but is not obligated to) discuss such methodologies and process with the Parties. Any such discussions may be with both Parties simultaneously. The Bench marker will be free to reflect or not to reflect the Parties' input at its discretion.

26.3. **Benchmarking findings**

26.3.1. At the end of each such benchmarking process the Bench marker will make recommendations as to the required improvements and acceptable time scales for the implementation thereof and the Service Provider will (as part of the Deliverables) be obliged to implement such recommendations in accordance with those time scales at no additional cost to SARS. Each Party will be provided a reasonable opportunity to review, comment on and request changes in the Bench marker's proposed findings. The Bench marker will have sole discretion as to how it addresses such comments and requests. Following such review and comment, the Bench marker will issue a final report of its findings and conclusions.

26.3.2. For the avoidance of doubt and notwithstanding any benchmarking results or recommendations, there will be no adjustment to any Charges having the effect of an increased amount payable by SARS or any adjustment of any Service Levels having the effect of the performance of the Deliverables being less favourable to SARS as a result of the benchmarking exercise.

26.3.3. If a benchmarking exercise reveals that the performance under the Agreement is less favourable than that of benchmarked the Service Providers falling into quartile of best performance, then the Service Levels will be adjusted to eliminate such variance or additional Service Levels will be incorporated into **Schedule C (Service Levels)** and its appendices to ensure the performance of the Deliverables would fall into the best quartile of benchmarked the Service Providers. The adjustments to Service Levels or the incorporation of additional Service Levels will be made according to the recommendations, including timelines, made by the Bench marker provided that should the Service Provider dispute the recommendations made by the Bench marker, such dispute must be resolved in accordance

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with **Clause 27.**

26.3.4. If a benchmarking exercise reveals that the Charges under the Agreement exceed those charges made for any component of the Deliverables by the Service Providers not falling into the quartile of lowest charges the Service Provider will reduce the Charges sufficiently to ensure the Charges fall into the quartile of lowest Charges amongst the benchmarked the Service Providers provided that should the Service Provider dispute the recommendations made by the Bench marker, such dispute must be resolved in accordance with **Clause 27.**

26.3.5. SARS will be responsible for the Bench marker's charges in respect of a benchmarking exercise unless that benchmarking exercise reveals the Charges are to be reduced as contemplated in Clause 26.3.4, in which case the Service Provider will reimburse SARS for the Bench marker's charges. If a benchmarking exercise does not show that Charges are required to be reduced, findings will be and will remain the Confidential Information of SARS. Except as previously mentioned, each Party will bear its own direct costs in relation to the benchmarking exercise.

26.3.6. If the Parties fail to reach agreement on the implementation of the adjustment set out in Clause 26.3.3 or 26.3.4, SARS will have the right, in addition to any remedies it may have in terms of this Agreement, to terminate the Agreement early by providing a notice of termination to the Service Provider setting forth the applicable Termination Date. A termination of the Agreement under this Clause 26.3.6 will not be treated as a termination for convenience. SARS will have no liability to the Service Provider for terminating the Agreement.

27. DISPUTE RESOLUTION

27.1. A dispute of whatsoever nature between the Parties arising out of or in connection with this Agreement, including disputes: (i) as to the validity, existence, enforceability, interpretation, application, implementation, breach, termination or cancellation of this Agreement; (ii) as to the Parties' rights and/or obligations in terms of this Agreement; or (iii) in connection with any documents furnished by the Parties in terms of this Agreement, will be finally settled as provided in this **clause 27**.

27.2. **Informal Dispute Resolution**

27.2.1. Prior to the initiation of formal dispute resolution procedures, the Parties will first attempt to resolve their dispute informally in accordance with the procedure set forth in this **clause 27.2**.

27.2.2. Upon the written request of a Party, any dispute, which arises between the Parties, will be

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referred to a joint committee consisting of a senior representative nominated by each Party. The joint committee will meet as often as the Parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue that the Parties believe to be appropriate in connection with its resolution.

27.2.3. The nominated representatives of the Parties will discuss the problem and attempt to resolve the dispute without the necessity of any formal proceeding. During the course of discussion, all reasonable requests made by one Party to another for non-privileged information, reasonably related to this Agreement, will be honoured in order that each of the Parties may be fully advised of the other Party's position. The specific format for the discussions will be left to the discretion of the joint committee.

27.2.4. Formal proceedings for the resolution of a dispute may not commence until the nominated representatives of the Parties conclude in good faith that amicable resolution through continued negotiation of the matter does not appear likely.

27.2.5. In the event that the informal dispute resolution process fails, a Party may either approach a competent court for relief or alternatively the Parties may, by agreement, refer the dispute to formal dispute resolution in accordance with **clause 27.3**. Once the Parties have committed to formal dispute resolution, the Parties irrevocably consent to any proceedings in terms thereof.

27.3. **Formal Dispute Resolution**

27.3.1. Any dispute which is not resolved in the manner referred to in **clauses 27.2**, may be submitted to binding arbitration before a single arbitrator and will be subject to the rules of the Arbitration Foundation of Southern Africa or its successor-in-title ("**AFSA**").

27.3.2. The arbitrator will, if the dispute is:

27.3.2.1. primarily an accounting matter, be an independent practising accountant of not less than 10 (ten) years standing as such;

27.3.2.2. primarily a technical matter, be an independent technical expert of not less than 10 (ten) years' experience in the electronic communications and related environments;

27.3.2.3. primarily a legal matter, be an attorney of not less than 15 (fifteen) years standing as such or a practising senior counsel.

27.3.3. The Parties will, within 3 (three) business days of the date on which the arbitration is

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demanded, agree in writing as to the nature of the dispute and the identity of the arbitrator to be appointed. Should the Parties be unable to reach agreement as contemplated within such 3 (three) business day period, the arbitrator will (irrespective of the nature of the dispute) be appointed by the Chairman of the AFSA upon request by either Party. The appointment of the arbitrator (whether by agreement or by the Chairman of AFSA or its successor-in-title as contemplated in the preceding sentence) will be final and conclusive and may not subsequently be challenged on any grounds by either Party.

27.3.4. The arbitration will be held as soon as is reasonably possible, with a view to completion within 30 (thirty) days of it being demanded.

27.3.5. Promptly after appointment of the arbitrator, either Party will be entitled to call upon the arbitrator to set: (i) the date(s) on which the arbitration is to be held; and (ii) the procedure that will govern the arbitration. The arbitration proceedings will be held in Pretoria, Gauteng, Republic of South Africa.

27.3.6. Any order or award that may be made by the arbitrator:

27.3.6.1. will be final and binding;

27.3.6.2. will be carried into effect; and

27.3.6.3. may be made an order of any competent court.

27.4. **Interim Relief**

27.4.1. Nothing in this **clause 27** will preclude either Party from obtaining interim relief on an urgent basis from a court of competent jurisdiction.

27.5. **Continued Performance**

27.5.1. SARS reserves the right to withhold payment of amounts it disputes in good faith under **clause 3.3** of **Schedule D** (Charges, Invoicing and Payments), and to terminate the Agreement while the dispute is being resolved. Each Party agrees to continue performing its obligations under this Agreement while any dispute is being resolved, unless SARS terminates the Agreement as aforesaid.

28. TERMINATION

28.1. **Termination for Cause by SARS**

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28.1.1. SARS may, by giving notice to the Service Provider, terminate this Agreement, in whole or in part (provided that SARS will not terminate the Agreement in part unless the Services being terminated include the Services with respect to which the termination for cause occurred), as of a date set out in the notice of termination, in the event that:

28.1.1.1. the Service Provider commits a material breach of this Agreement, which breach is not cured within 30 (thirty) days after notice of breach from SARS to the Service Provider;

28.1.1.2. the Service Provider commits a material breach of this Agreement that is not capable of being cured within 30 (thirty) days;

28.1.1.3. the Service Provider commits a non-material breach of this Agreement, which breach is not cured within 60 (sixty) days after notice of breach from SARS to the Service Provider;

28.1.1.4. the Service Provider regularly commits breaches of this Agreement and fails to prevent reoccurrences of such breaches within 30 (thirty) days after notice from SARS to the Service Provider, that such breaches together with any future breach will collectively constitute a material breach;

28.1.1.5. the Service Provider fails to meet the same Service Level for 3 (three) consecutive months, or if the Service Provider fails to meet the same Service Level for 4 (four) months, not necessarily consecutive, out of any 12 (twelve) consecutive month period; and/or

28.1.1.6. the Service Provider is placed under provisional or final liquidation; placed under judicial management; or enters into an arrangement with its creditors.

28.1.2. In the case of a termination of the Agreement in part, the charges payable under this Agreement will be reduced in terms of **clause 13** of **Schedule D** (**Charges, Invoicing and Payments**) to reflect the partial termination of the Agreement.

28.1.3. SARS may immediately terminate this Agreement, by giving notice to the Service Provider, if the Service Provider fails to comply with **clauses 20.6 or 17**.

28.1.4. SARS will have no liability to the Service Provider with respect to a termination under this **clause 28.1**.

28.2. **Termination for Cause by Service Provider**

28.2.1. In the event that SARS fails to pay the Service Provider undisputed amounts or amounts which have been finally adjudged to be due under this Agreement and fails to make such payment within 90 (ninety) days of the later of: (i) notice from the Service Provider of the

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failure to make such payment; or (ii) the date that an amount is finally adjudged to be due under the Agreement, then the Service Provider may, by giving notice to SARS, terminate this Agreement as of a date set out in the notice of termination.

28.2.2. The Service Provider will have no right to terminate this Agreement other than in accordance with the provisions of **clause 28.2.1** above.

28.3. **Termination for Convenience**

28.3.1. Unless otherwise agreed between the Parties or otherwise provided in this Agreement SARS may terminate this Agreement in whole or in part for convenience and without cause at any time by giving the Service Provider at least 90 (ninety) days prior notice designating the Termination Date. SARS will have no liability to the Service Provider with respect to such termination.

28.4. **Termination upon Sale, Acquisition, Merger or Change of Control**

28.4.1. 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 written notice and designating a date upon which such termination will be effective. SARS will have no liability to the Service Provider with respect to such termination.

28.5. **Extension of Termination Effective Date**

28.5.1. SARS will, not later than 90 (ninety) days (or 30 (thirty) days in the case of a termination for cause) prior to expiration or termination of the Agreement, have the option to require that the Service Provider continues to provide some or all of the Services for a fixed term of up to 180 (one hundred and eighty) days following the effective date of expiration or termination of the Agreement on the terms and conditions (including price as adjusted for inflation under **clause 2.3** of **Schedule D** (**Charges, Invoices and Payments**)) then in effect.

28.6. **Disengagement Assistance**

28.6.1. The Parties will comply with their respective obligations set forth in **Schedule F** (**Disengagement Assistance**).

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29. GENERAL

29.1. Destructive Elements

29.1.1. The Service Provider undertakes that it will use all Commercially Reasonable Efforts to ensure that no Bugs, Destructive Elements or similar items are coded or introduced into the systems used to provide the Services, and/or into any SARS systems. In the event a Bug or a Destructive Element is found, the Service Provider will at no additional charge to the extent commercially reasonable, assist SARS to reduce the effects of such Bug or Destructive Element and, if such Bug or Destructive Element causes a loss of operational efficiency or loss of data, to mitigate and restore such losses.

29.2. Binding Nature and Assignment

29.2.1. This Agreement will be binding on the Parties hereto and their respective successors and assigns. Neither Party may 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 the Service Provider to another Government Entity.

29.3. Non-Solicitation

29.3.1. During the Term, and for a period of 1 (one) year thereafter, the Service Provider will not directly solicit or encourage or attempt to solicit or encourage any employee of SARS to leave the employment of SARS unless prior consent is obtained from SARS.

29.4. Entire Agreement Amendment

29.4.1. Any commitments made by the Service Provider in its response to the Request for Proposal, which is attached hereto as **Schedule G (Service Provider Proposal),** will be deemed binding on the Service Provider. Notwithstanding anything to the contrary stated in the Service Provider's response, in the event of a conflict between the Service Provider's response and this Agreement, the Agreement will prevail and nothing in the Service Provider's response will in any way limit SARS' rights or expand SARS' obligations under this Agreement.

29.4.2. This Agreement, including any Schedules, Appendices and Attachments referred to herein and attached hereto, each of which is incorporated herein for all purposes, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to the subject matter contained in this Agreement.

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29.4.3. Any standard documents maintained by the Service Provider (whether or not filed with a government agency and including those published from time to time on the Service Provider's web site) will be effective only for the purpose of providing a technical description of the Service Provider's standard service offerings. Any terms or conditions (including service levels, service credits, charges, conditions of usage, indemnification, limits on liability and exclusive remedies, ownership and intellectual property rights, or suspension and termination rights) set out in any other documents will have no effect on, nor will vary, supersede, cancel, amend, modify or supplement the terms and conditions of the Agreement.

29.4.4. No variation or consensual cancellation of this Agreement, including of this clause, and no addition to this Agreement will be of any force or effect unless reduced to writing and signed by the Parties or their duly authorised representatives.

29.5. **Compliance with Applicable Laws**

29.5.1. **Governing Law**

29.5.1.1. This Agreement will in all respects (including its existence, validity, interpretation, implementation, termination and enforcement) be governed by the laws of the Republic of South Africa.

29.5.2. **General Obligation**

29.5.2.1. Each Party will perform its obligations in a manner that complies with the Applicable Laws (including identifying and procuring required permits, certificates, approvals and inspections).

29.5.3. **SARS' Rules and Regulations**

29.5.3.1. The Service Provider will perform its obligations in a manner that complies with SARS' safety, security, environmental and health rules and regulations as from time to time identified by SARS to the Service Provider.

29.5.4. **Monitoring and Changes to Law**

29.5.4.1. As part of the Services, the Service Provider will monitor Applicable Laws that apply to comparable service providers and the ICT industry generally, Third Party service providers generally and corporations in South Africa generally to identify any proposed changes to Applicable Law. The Service Provider will remain responsible for communications with and participation in any governmental or regulatory body having jurisdiction over the Service Provider, or any industry body in which the Service Provider

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participates.

29.5.4.2. Upon identifying or being notified by SARS of a change or proposed change described in **clause 29.5.4.1**, the Service Provider will promptly analyse the impact of such change or proposed change on the Services, notify SARS of such impact, and propose changes to the Services to SARS, if any, that are, or in the case of a proposed change may be, required. The Service Provider will be solely responsible for any fees, costs or expenses incurred in this regard. SARS will promptly review such proposal, and upon SARS' approval, the Service Provider will promptly implement such changes to the Services as well as any other changes requested by SARS and reasonably required as a consequence of a change described in **clause 29.5.4.1**.

29.5.4.3. In the event that the Service Provider establishes to SARS' reasonable satisfaction that a change in Applicable Laws after the Effective Date (other than a change in Applicable Laws described in **clause 29.5.4.1**) directly and materially increases the cost to the Service Provider of providing the Services in terms of the Service Levels, the Service Provider will be entitled to propose amendments to appropriate clauses of **Schedule D** (**Charges, Invoicing and Payments**) under which the Service Provider's charges would be increased on a prospective basis, but not in excess of the amount required for the Service Provider to recover the additional costs solely and directly attributable to the change in Applicable Laws under this **clause 29.5.4.3**. If SARS does not agree to such an increase in the Service Provider's charges, SARS may terminate the affected Service, or the Agreement in whole, as of a date set out in a notice from SARS to the Service Provider. Such a termination will not be treated as a termination for convenience and SARS will not be liable for the payment of any termination fees.

29.5.5. **Non-Compliance:**

29.5.5.1. If either Party is charged with non-compliance of any Applicable Laws, the Party charged with such non-compliance will promptly notify the other Party of such charges in writing.

29.5.5.2. The Service Provider will be solely responsible for any fines and penalties imposed on the Service Provider or SARS resulting from the Service Provider's failure to comply with the provisions of this **clause 29.5**.

29.6. **Ethical Business Practices**

29.6.1. SARS has a policy of zero tolerance regarding corrupt activities. The Parties shall promptly report to each other and the relevant authorities any suspicion of corruption on the part of

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their Personnel, the Service Providers or any other person or entity, as well as any behaviour by any of those persons that is likely to constitute a contravention of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).

29.6.2. Neither Party shall offer, promise or make any gift, payment, loan, reward, inducement benefit or other advantage to any of the other Party's Personnel or the Service Providers.

29.6.3. 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 with 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, to question any relevant Personnel and/or the Service Providers of the Service Provider or a third party and SARS 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 terminate this Agreement immediately and appoint a third party to render the Services. All obligations of the Parties in terms of this Agreement shall terminate upon full transfer of the Services to a new third party service provider.

29.7. **Notices**

29.7.1. Each Party chooses as its *domicilium citandi et executandi* for all purposes of this Agreement, including for purposes of serving any court process or other documents, giving any notice or making any other communications will be as follows:

In the case of SARS:	Office of the Commissioner Block A 299 Bronkhorst Street Nieuw Muckleneuk Pretoria. 0181 (marked for the urgent attention of the Group Executive, Corporate Legal Services)
In the case of the Service Provider:	**[to be completed upon finalisation]**
Facsimile:	**[to be completed upon finalisation]**
with a copy to:	**[to be completed upon finalisation]**

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29.7.2. All notices, requests, demands, and determinations under this Agreement (other than routine operational communications), will be valid and effective only if in writing. Such notices, requests, demands and determinations under this Agreement will be deemed duly given only when delivered by hand during ordinary business hours to a responsible person at the addressee's *domicilium*. Such notices, requests, demands and determinations under this Agreement may also be sent by facsimile to the facsimile number set out in **clause 29.6**. Notices, requests, demands and determinations sent by facsimile and received prior to 13h00 on a business day will be deemed duly given on such business day; notices, requests, demands and determinations sent by facsimile and received at other times will be deemed duly given on the first business day following the date that such facsimile is received.

29.7.3. Either Party may by notice to other Party change its *domicilium* to another physical address in the Republic of South Africa and the change will take effect on the seventh day after the date when the notice is duly given.

29.7.4. The Parties record that whilst they may correspond via email during the currency of this Agreement for operational reasons, no formal notice required in terms of this Agreement, nor any amendment of or variation to this Agreement may be given or concluded via email.

29.8. **Relationship of Parties**

29.8.1. The Service Provider, in rendering the Services, is acting as an independent contractor. Neither Party is an agent of the other nor has any authority to represent the other as to any matters, except as expressly authorised in this Agreement.

29.8.2. Neither Party's personnel will be deemed personnel of the other Party.

29.8.3. Nothing contained in this Agreement will be construed as creating any company, close corporation, joint venture, partnership or association of any kind involving SARS or the Service Provider or their Affiliates; nor is anything contained in this Agreement to be construed as creating or requiring any continuing relationship or commitment on a Party's or its Affiliates' behalf with regard to the other Party and its Affiliates other than as specifically set out herein.

29.8.4. Unless expressly authorised by this Agreement, neither of the Parties (nor their respective agents) will have the authority or right, nor will any Party hold itself out as having the authority or right, to assume, create or undertake any obligation of any kind whatsoever, express or implied, on behalf of or in the name of the other Party.

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29.9. **Restatement and Severability**

29.9.1. In the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed or if any such provision is held invalid by an arbitrator or a court with jurisdiction over the Parties, such provision will be deemed to be restated to reflect as nearly as possible the original intentions of the Parties in terms of Applicable Laws, or if not possible, then to be severed from the remainder of the Agreement. The remainder of this Agreement will remain in full force and effect.

29.10. **Consents and Approval**

29.10.1. 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.

29.10.2. Written approval for operational purposes may be given by a duly authorised person via email.

29.10.3. 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.

29.11. **Penalties**

29.11.1. Wherever a provision of this Agreement stipulates for, or operates as, a penalty in favour of SARS, (i) the Service Provider waives, to the fullest extent permitted by law, any right it may have to claim a reduction of such penalty and (ii) SARS will be entitled to at any time claim damages in lieu of such penalty.

29.12. **Waiver of Default and Cumulative Remedies**

29.12.1. A delay or omission by either Party hereto to exercise any right or power under this Agreement will not be construed to be a waiver thereof. A waiver by either of the Parties hereto of any of the undertakings to be performed by the other or any breach thereof will not be construed to be a waiver of any succeeding breach thereof or of any other

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undertaking herein contained. No waiver by SARS will be valid unless reduced to writing and signed by the SARS authorised signatory.

29.12.2. Except as otherwise expressly provided herein, all remedies provided for in this Agreement will be cumulative and in addition to and not in lieu of any other remedies available to either Party at law, in equity or otherwise.

29.13. **Survival**

29.13.1. Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement will survive any termination or expiration of this Agreement and continue in full force and effect.

29.14. **Public Disclosures**

29.14.1. No advertising or publicity matter of either Party having or containing any reference to the other Party or in which the name of the other Party is mentioned (except announcements intended solely for internal distribution or to meet legal or regulatory requirements beyond the reasonable control of the disclosing Party) will be made by or for a Party or Subcontractors.

29.14.2. The Service Provider may not use the SARS logo or any other service marks or trademarks of SARS.

29.15. **Third Party Beneficiaries**

29.15.1. Except as set out in this Agreement, this Agreement is entered into solely between, and may be enforced only by, SARS and the Service Provider. This Agreement will not be deemed to create any rights in Third Parties, including the Service Providers and customers of a Party, or to create any obligations of a Party to any such Third Parties.

29.16. **Undertaking against Cession, Pledging and Assignment**

29.16.1. The Service Provider will not, without SARS' prior consent, assign, cede, transfer, pledge, hypothecate or otherwise encumber its rights to receive payments from SARS under this Agreement for any reason whatsoever.

29.17. **Performance Bond**

29.17.1. The Service Provider will post on the Effective Date, a performance bond ("**Performance**

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Bond") by a financial institution approved by SARS and in the form prescribed by SARS, or if SARS does not prescribe a form, in a form proposed by the Service Provider and approved by SARS at its sole discretion. Notwithstanding the generality of the above, such Performance Bond will secure the Service Provider's obligations in an amount equal to:

[Note to the Bidder:

The Performance Bond will be equal to 50% of the total of the charges that will be made by the Service Provider for Services under this Agreement in the first 12 (twelve) months of the Term and shall endure for the duration of this Agreement.

29.17.2. SARS will be entitled to make a claim for payment from the Performance Bond in the event that:

29.17.2.1. the Service Provider materially breaches this Agreement, and the breach is reasonably capable of being remedied and the Service Provider fails to remedy such breach within 30 (thirty) days of being called upon by SARS to do so;

29.17.2.2. the breach is not capable of being remedied;

29.17.2.3. an event occurs in respect of which this Agreement permits SARS to recover a penalty or similar service credit from the Service Provider, and the Service Provider fails to pay such penalty when it is due in terms of this Agreement; and/or

29.17.2.4. the Service Provider is placed under provisional or final liquidation; placed under judicial management; enters into an arrangement with its creditors; or the Service Provider enters into business rescue procedures under Chapter 6 of the Companies Act, 2008 (Act No. 71 of 2008).

29.17.3. For the avoidance of doubt, any claim that SARS may be entitled to make under the Performance Bond will be subject to (i) the indemnities and limitations of liability contained in **clauses 22** and **23** and (ii) the Performance Bond claims procedure contained in this **clause 29.17**.

29.17.4. The Service Provider will not be absolved of any of its obligations and liabilities under this Agreement by virtue of it having furnished the Performance Bond.

29.17.5. If SARS intends to encash the Performance Bond, it must demand, on 15 (fifteen) days' written notice, payment from the Service Provider, specifying:

29.17.5.1. the cause of the claim, and

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29.17.5.2. the amount claimed.

29.17.6. If the Service Provider fails to make payment as per SARS' demand in **clause 29.17.5** or fails to lodge a dispute in accordance with **clause 27** within 15 (fifteen) days of receipt of SARS' notice in accordance with **clause 29.17.5**, SARS will be entitled to encash the Performance Bond with immediate effect.

29.17.7. If SARS encashes the Performance Bond in terms of **clause 29.17.2**, SARS will be entitled to recover from the proceeds of the Performance Bond all of (i) SARS' Losses occasioned by the Service Provider; (ii) all amounts for which the Service Provider is liable in terms of any indemnities given by it to SARS; (iii) all penalties which SARS is entitled to impose upon the Service Provider; (iv) all legal costs which SARS is entitled to recover from the Service Provider in asserting SARS' rights under this Agreement and the Performance Bond; and (v) any other amounts which may be owing by the Service Provider to SARS, of whatever nature and however arising; provided always that the provisions of this **clause 29.17.7** will never be construed as in any way limiting SARS' right of recovery to the full value of the Performance Bond.

29.17.8. In the event of SARS:

29.17.8.1. cancelling the Agreement pursuant to any matter referred to in **clause 29.17.2**, after SARS has recovered all amounts which may be owing to SARS by the Service Provider in terms **of clause 29.17.7**, SARS will pay the balance, if any, to the Service Provider; or

29.17.8.2. not cancelling the Agreement pursuant to any matter referred to **in clause 29.17.2** the Service Provider will deliver to SARS, within 10 (ten) business days of SARS' written instruction, a new Performance Bond for the same value as that of the original Performance Bond (and for which purpose **clause 29.17** will again apply, *mutatis mutandis*) against delivery of which SARS will pay to the Service Provider the balance, if any, of the amounts remaining from the previous Performance Bond following SARS' recovery of the amounts owing to it in terms of **clause 29.17.7**.

29.17.9. The Performance Bond will automatically be revoked on expiry of a period of 6 (six) months after Termination of the Agreement.

29.18. **Costs**

29.18.1. Each Party shall bear and pay its own costs of or incidental to the drafting preparation and

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execution of this Agreement.

29.19. **Authorised Signatories**

29.19.1. 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.

29.19.2. This Agreement is signed by the Parties on the dates and at the places indicated below.

29.19.3. 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.

29.19.4. The persons signing this Agreement in a representative capacity warrant their authority to do so.

[SIGNATURE PAGE BELOW]

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IN WITNESS WHEREOF SARS and **[Service Provider name]** have each caused this Agreement to be signed and delivered by its duly authorised officer.

SOUTH AFRICAN REVENUE SERVICES	**SOUTH AFRICAN REVENUE SERVICES**
By:_____	**By**:_____
Printed:_____	**Printed**:_____
Title:_____	**Title**:_____
Date:_____	**Date**:_____
[SERVICE PROVIDER NAME]	**[SERVICE PROVIDER NAME]**
By:_____	**By**:_____
Printed:_____	**Printed**:_____
Title:_____	**Title**:_____
Date:_____	**Date**:_____

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SCHEDULE A: GLOSSARY

1. DEFINITIONS

In this Agreement:

1.1. clause headings are for convenience only and are not to be used in its interpretation;

1.2. an expression which denotes-

1.2.1. any gender includes the other gender;

1.2.2. a natural person includes a juristic person and vice versa; and

1.2.3. the singular includes the plural and vice versa.

1.3. In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings

1.3.1. **"Add"** means an activity performed as part of IMACD services as set out in **clause 8.6** of **Schedule B** (Service Management SOW);

1.3.2. **"Adjustment Date"** has the meaning set out in **clause 2.3** of **Schedule D**;

1.3.3. **"Agreement"** means the Main Agreement, together with the Schedules, Appendices, Attachments and other documents attached thereto as referred therein;

1.3.4. **"Agreement Interest Rate"** means the interest rate at which the South African Reserve Bank lends money;

1.3.5. **"At Risk Amount"** means fifteen percent (15%) of the amounts invoiced to SARS by the Service Provider in respect of the Services for a particular month, excluding any Pass-Through Expenses, charges for capital items to be owned by SARS, and Transition fees.

1.3.6. **"Affiliate"** 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 (i) a subsidiary of such entity, as the term "subsidiary" is defined in section 3 of the Companies Act, 2008 (Act No. 71 of 2008), as amended, and (ii) any foreign company which, if it were registered under such Act, would fall within the ambit of such term;

1.3.7. **"Applicable Law"** means any of the following, from time to time, to the extent it applies to a Party (including, as applicable, Affiliates and Subcontractors of a Party), or the Services (including the performance, delivery, receipt or use of the Services, as applicable and wherever occurring):

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1.3.7.1. any statute, regulation, policy, by-law, ordinance or subordinate legislation (including treaties, multinational conventions and the like having the force of law);

1.3.7.2. South African common law;

1.3.7.3. any binding court order, judgment or decree;

1.3.7.4. any applicable industry code, policy or standard enforceable by law; and

1.3.7.5. any applicable direction, policy or order that is given by a regulator (other than SARS' directions or policies given as a customer of the Services).

1.3.8. **"Audit Response Plan"** has the meaning set out in **clause 25.2** the **Main Agreement**;

1.3.9. **"B-BBEE"** means broad-based black economic empowerment as defined in the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

1.3.10. **"B-BBEE 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);

1.3.11. **"B-BBEE Status"** means the B-BBEE Status of the Service Provider based on the generic scorecard as measured and certified by a verification agency in accordance with applicable B-BBEE Codes;

1.3.12. **"Back-out Plan"** means a documented plan that describes the actions to be taken to restore a service should the rollout of a release or a change fail, either partially or totally;

1.3.13. **"Benchmarker"** has the meaning set out in **clause 26 of the Main Agreement**;

1.3.14. **"Brooklyn Head Office"** means the SARS Site comprised of all the SARS facilities located in Brooklyn, Gauteng;

1.3.15. **"Break-fix"** means the services provided by the Service Provider to Restore a Device to a condition so that it is functioning in accordance with the manufacturer's specifications. Break-fix services are defined in more detail in **clause 7** of **Schedule B** (Service Management SOW);

1.3.16. **"Bronze"** means, with respect to a Service Level, the corresponding level of support defined in terms of, for example, time to respond or time to repair;

1.3.17. **"Business Continuity Plan"** means a plan for a business to continue operating if the business is affected by a Disaster;

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1.3.18. **"Bug"** means any error, flaw or mistake in the instruction code of the Software and/or services which in any way prevents any system from functioning correctly;

1.3.19. **"Changes"** when used in connection with Operational Change Management, has the meaning set out in **clause 5** of **Schedule B (**Service Management SOW) otherwise, "Change" means a change in the Supported Environment (including a change to Supported Hardware or Supported Software) that is implemented in accordance with the terms and conditions. For clarity, a Change includes IMACD Changes;

1.3.20. **"Charges"** means the amounts payable by SARS to Service Provider under **Schedule D (Charges, Invoicing and Payments)** together with its Appendices, Attachments and any other documents attached thereto or referenced therein;

1.3.21. **"CI"** is a hardware component item that needs to be managed. Information about each CI is recorded in the CMDB and is maintained throughout its lifecycle. Hardware CIs typically include information such as Site, Floor, People, Barcode, Serial Nr etc.

1.3.22. **"Closed"** means the state of being complete as verified by SARS, with respect to an incident or request for IMACD**;**

1.3.23. **"CMDB"** means a database which contains all relevant details of each component or item of an infrastructure (a "Configuration Item") throughout their lifecycle, which is (or is to be) directly associated with delivery of the Services and which details the important relationships between Configuration Items.;

1.3.24. **"Commencement Date"** means_____**,** the date on which Service Provider is to assume full responsibility for performing the Services with respect to Server Support Services in accordance with this Agreement (including the Performance Standards); **[Note to Bidder:** This will be the agreed date by which all transitioning of service delivery for the services from SARS or the incumbent service provider(s) to the successful Bidder must be completed. SARS expects to have committed calendar dates for the applicable Commencement date(s) agreed for the respective Services before signing and specified in the agreement when it is executed.]

1.3.25. **"Commercially Reasonable Efforts"** means taking such steps and performing in such a manner as a well-managed entity would undertake where such entity was acting in a determined, 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;

1.3.26. **"Confidential Information"** means any information or data of any nature, tangible or intangible, oral or in writing and in any format or medium, which by its nature or content is

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or ought reasonably to be identifiable as confidential and/or proprietary to the Party disclosing such information ("Disclosing Party") or which is provided or disclosed in confidence to the other Party ("Receiving Party") and which the Disclosing Party or any person acting on behalf of the Disclosing Party may disclose or provide to the Receiving Party or which may come to the knowledge of the Receiving Party by whatsoever means. Without limitation, Confidential Information of the Disclosing Party shall include the following even if it is not marked as being ‘confidential’, restricted or proprietary (or any similar designation):

1.3.27. information relating to the Disclosing Party's current and existing strategic objectives and plans for both its existing and future information technology, processing, business processing and business process outsourcing;

1.3.28. information relating to the Disclosing Party's business activities, business relationships, products, services, processes, data, and Staff;

1.3.29. information contained in or constituting the Disclosing Party's hardware or software, including third party products, and associated material;

1.3.30. the Disclosing Party's technical, scientific, commercial, financial and market information and trade secrets;

1.3.31. the Disclosing Party's data concerning its business relationships, architectural information, demonstrations, processes and machinery;

1.3.32. Intellectual Property that is proprietary to the Disclosing Party or that is proprietary to a third party and in respect of which the Disclosing Party has rights of use or possession, including but not limited to third party products and data relating to the customers of the Disclosing Party;

1.3.33. the Disclosing Party's plans, designs, drawings, processes, process maps, functional and technical requirements and specifications;

1.3.34. information concerning faults or defects in the Disclosing Party's systems, hardware and/or software or the incidence of such faults or defects;

1.3.35. agreements to which the Disclosing Party is a party;

1.3.36. information relating to the Disclosing Party's network, telecommunications services and facilities;

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1.3.37. information concerning faults or defects in the Disclosing Party's network or telecommunication services and facilities or the incidence of such faults or defects;

1.3.38. information or data of any nature whatsoever as defined in the Tax Administration Act, 2011 (Act No. 28 of 2011) if the Disclosing Party is SARS;

1.3.39. any and all, methodologies, formulae, related information and trade secrets in developed software and processes and other business of the Disclosing Party; and

1.3.40. the global business-processing business plans, strategy documents, financial information (including valuations and forecasts) and business process outsourcing knowledge of the Disclosing Party;

1.3.41. Confidential Information excludes information or data which -

1.3.42. is lawfully in the public domain at the time of disclosure thereof to the Receiving Party; or

1.3.43. subsequently becomes lawfully part of the public domain by publication or otherwise; or

1.3.44. is or becomes available to the Receiving Party from a source other than the Disclosing Party which is lawfully entitled without any restriction on disclosure to disclose such Confidential Information to the Receiving Party; or

1.3.45. is disclosed pursuant to a requirement or request by operation of law, regulation or court order but then only to the extent so disclosed and then only in the specific instance and under the specific circumstances in which it is obliged to be disclosed;

1.3.46. Provided that -

1.3.46.1. the onus shall at all times rest on the Receiving Party to establish that such information falls within such exclusions; and

1.3.46.2. the information disclosed will not be deemed to be within the foregoing exclusions merely because such information is embraced by more general information in the public domain or in a Receiving Party's possession; and

1.3.46.3. any combination of features will not be deemed to be within the foregoing exclusions merely because individual features are in the public domain or in a Receiving Party's possession, but only if the combination itself is in the public domain or in the Receiving Party's possession.

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1.3.46.4. The determination of whether information is Confidential Information shall not be affected by whether or not such information is subject to, or protected by, common law or statute related to copyright, patent, trademarks or otherwise;

1.3.47. **"Configuration Management"** means the ITIL discipline embodied by Configuration Management Procedures and Configuration Management Services as set out in clause 2.4 of Schedule B (Service Management Services SOW);

1.3.48. **"Contacts"** has the meaning set out in **clause 2.1** of **Schedule B** (Service Management Services SOW);

1.3.49. **"Contract Obligations Tracker (COT)"** has the meaning set out in **Schedule E;**

1.3.50. **"Contract Year"** means (i) for the first (1st) contract year, the period of time from the Effective Date until the day before the first anniversary of the Effective Date, and (ii) for each subsequent year of the Term, each successive twelve (12) month period ending on the day before the anniversary of the Effective Date;

1.3.51. **"Control"** or its derivatives means, with regard to any entity, the right or power to dictate the management of and otherwise control such entity by any of: (a) 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; (b) controlling the majority of the voting rights in such entity; or (c) 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;

1.3.52. **"Cost Review Meeting"** has the meaning set out in **clause 1.5 of Schedule D** (Charges, Invoicing and Payments);

1.3.53. **"CPI"** is the consumer price index as published by Statistics South Africa. In the event Statistics South Africa should stop publishing the CPI or should substantially change the content or format thereof, the Parties shall substitute another appropriate measure);

1.3.54. **"Critical Priority Incident"** any partial or full system outage resulting in complete loss of a core SARS business system and that has major business impact to SARS;

1.3.55. **"Data Protection Legislation"** means the following legislation POPIA and legislation applicable to the protection of Personal Information in the Republic of South Africa;

1.3.56. **"Data Subject"** means the person to whom Personal Information relates

1.3.57. "**Decommissioning"** means removing Supported Hardware from the Supported Environment in accordance with the terms and conditions, including processes for IMACDs;

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1.3.58. **"Deliverables"** refers to and includes the duties, services, activities, functions and responsibilities to be provided to SARS or to be performed by the Service Provider in terms of this Agreement, including the duties, services, activities, functions, equipment, infrastructure and responsibilities described in or otherwise required under **Schedule B** (Service Management Services SOW) or elsewhere in this agreement. The Deliverables may at SARS' discretion be supplemented, enhanced, modified or replaced including to keep pace with changes in SARS business and advances in technology and processes available to the service Provider, all in accordance with the conditions of this Agreement and set out in a work Order**;**

1.3.59. **"Dependency(ies)"** means SARS responsibilities as set forth in **Appendix B-S-2** of the relevant **SOW;**

1.3.60. **"Destructive Element"** any "back door", "time bomb", "time lock", "Trojan horse", "worm", "drop dead device", "virus" or other computer software routine, code, or device intended or designed to – (a) permit access to or the use of any software, firmware, hardware and peripherals, wide area network, or local area network by an unauthorised person; or (b) disable, damage, erase, disrupt or impair in any way the operation of any software, firmware, hardware and peripherals, wide area network, or local area network including by the elapsing of a period of time, exceeding an authorised number of copies advancement to a particular date or other numeral; or (c) damage, erase or corrupt data, storage media, programmes, equipment or communications or otherwise interfere with operations of any software, firmware, hardware and peripherals, wide area network, or local area network; and/or a(d) any other form of destructive coding and/or device including those which result in aesthetical disruptions or distortions;_

1.3.61. **"Device"** means an item of Supported Hardware (and the instance of Supported Software running on such item) for which support is separately chargeable by the Service Provider;

1.3.62. **"Diagnosis"** has meaning set out in **clause 7.2 of Schedule B** (Service Management Services SOW);

1.3.63. **"Disaster"** means the complete or partial loss or likely loss of Services or facility where such Service or facility is unrecoverable after only an intermittent, no-material interruption through normal back-up and recovery processes or where Services provision has to move physical locations;

1.3.64. **"Disclosing Party"** means the Party who discloses or otherwise makes available such Party's Confidential Information to the other Party (including such other Party's Affiliates, Subcontractors, Third Party Suppliers and agents, as applicable) or on whose behalf such Party's Confidential Information is disclosed or otherwise made available to the other

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Party (including such other Party's Affiliates, Subcontractors, Third Party Suppliers and agents, as applicable);

1.3.65. **"Disengagement Assistance"** has meaning set out in **Schedule F;**

1.3.66. **"Disengagement Assistance Period"** means the period commencing six months prior to expiration of this Agreement, or commencing on any notice of, and continuing through the effective date of expiration (as it may be extended in terms of **clause 3.2** or **28.5** of the **Main Agreement**) or, if applicable, through the effective date of termination (as such effective date may be extended in terms of **clause 28.5)** and ending up to 12 months after such date as necessary to successfully complete Disengagement Assistance;

1.3.67. **"Disengagement Assistance Plan(s)"** means the plan to be developed in accordance with **Schedule F;**

1.3.68. **"DML"** means the SARS Definitive Media Library; The SARS Definitive Media Library provides the virtual store of software objects that are ready for deployment and software licence management.

1.3.69. **"Effective Date"** has the meaning set out in the preamble of the **Main Agreement.**

1.3.70. **"Excused Performance"** has the meaning set out in **clause 10.2** of the **Main Agreement;**

1.3.71. **"Extraordinary Event"** has meaning set out in **clause 11 of Schedule D** (Charges Invoicing and Payments);

1.3.72. **"Expedited Service Request"** has meaning set out in **clause 9 of Schedule B** (Service Management Services SOW);

1.3.73. **"Force Majeure Event"** has the meaning set out in **clause 23** of the **Main Agreement**;

1.3.74. **"Forward Schedule of Changes**" means schedule that contains details of all the Charges approved for implementation and their proposed implementation dates;

1.3.75. **"FSC"** means Forward Schedule of Changes;

1.3.76. **"Green Paper"** means a consultation paper and is an initial step towards the production of a White Paper;

1.3.77. **"Gold"** means, with respect to a Service Level, the corresponding level of support defined in terms of, for example, time to respond or time to repair;

1.3.78. **"Government Entity"** for the purpose of this Agreement, this refers to an organ of state as defined in the Constitution of South Africa, 1996, i.e. any department of state or administration in the national, provincial or local sphere of government; or any other

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functionary or institution (i) exercising a power or performing a function in terms of the Constitution or a provincial constitution; or (ii) exercising a public power or performing a public function in terms of any legislation, but does not include a court or a judicial officer;

1.3.79. **"HBA"** means Host Bus Adapter

1.3.80. **"HVAC"** means heating, ventilation and air conditioning systems;

1.3.81. **"ICT"** has meaning set out in ITIL;

1.3.82. **"IMACD"** means Install, Move, Add, Change or Decommissioning of Supported Hardware or Supported Software as set out in **clause 8 of Schedule B** (Service Management Services SOW);

1.3.83. **"IMACD Change"** means a Change made as part of an IMACD services/process;

1.3.84. **"Impact"** has the meaning set out in **Appendix B-2** (Urgency and Impact Definitions);

1.3.85. **Incident"** means an event that is not part of the standard operation of a Service (including a fault with hardware or Software or a failure to successfully complete a batch job on time) and that causes, or may cause, an interruption to, or a reduction in, the quality of that Service;

1.3.86. **"Incident Management Procedures"** has the meaning set out in **clause 2.1** of **Schedule B** (Service Management SOW);

1.3.87. **"Incident Management Services"** has the meaning set out in **clause 2.2** of **Schedule B** (Service Management SOW);

1.3.88. **"Inflation Sensitivity Factor"** has meaning set out in **clause 2.3.1** of **Schedule D** (Charges, Invoicing and Payments);

1.3.89. **"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,1978 (Act No. 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

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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;

1.3.90. **"Intellectual Property Rights"** means all rights of whatever nature and how described in respect of Intellectual Property, including:

1.3.90.1. all patents and other patent rights, including divisional and continuation patents, utility models;

1.3.90.2. rights in and to inventions, whether patentable or not;

1.3.90.3. rights in trademarks, service marks, logos, slogans, corporate, business and trade names, trade dress, brand names and other indicia of origin;

1.3.90.4. rights in designs, topography rights, rights in circuit layouts and mask-works;

1.3.90.5. copyright, including all copyright in and to computer programs

1.3.90.6. rights in Internet domain names, reservations for Internet domain names, uniform resource locators and corresponding Internet sites;

1.3.90.7. rights in databases and data collections;

1.3.90.8. 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, continuations in part or divisional of, any of these and the right to apply for any of the aforegoing, 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.

1.3.91. **"Install"** means deployment of Supported Hardware or Supported Software that is implemented in accordance with the terms and conditions, including processes, for IMACDs;

1.3.92. **"In-warranty"** refers to the status of the device that is under manufacturer warranty.

1.3.93. **"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 associated published codes of practice (including DISC PD005 and any updates and amendments thereto) and best practice guides

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published by the IT Service Management Forum (**"ITMF"**) from time to time, including any natural successor organisations to the ITSMF;

1.3.94. **"Key Service Provider Personnel"** means the personnel approved by SARS, to fill the key Service Provider Positions. The Key Service Provider Positions and Service Provider Personnel approved to fill such positions as of the Effective Date are set out in **Appendix E-1**;

1.3.95. "**Known Error**" means an Incident or Problem where the root cause is known, a Workaround or permanent successful alternative has been identified;

1.3.96. "**KVM**" refers to Keyboard, Video and Mouse;

1.3.97. **"Losses"** means all losses, liabilities and damages arising from claims and all related costs and expenses (including legal fees, disbursements, costs of investigations, litigation, settlement and judgement), fines, interest and penalties;

1.3.98. **"Main Agreement"** means the Server Device Services Agreement excluding the Schedules, Appendices and Attachments;

1.3.99. **"Major Problem Review"** has the meaning set out in ITIL Service Support CD-ROM v1.01, published by the Stationery Office;

1.3.100. **"Managed Third Party"** means Third Party Supplier as to whom Service Provider is to oversee and manage their performance and contract with SARS pursuant to **clause 7.5** of the **Main Agreement;**

1.3.101. **"Service Level Class"** means, Platinum, Gold, Silver or Bronze, as applicable;

1.3.102. **"Move"** means a physical relocation of Supported Hardware that is implemented in accordance with the terms and conditions, including processes, for IMACDs;

1.3.103. **"Net Book Value"** means the unamortised purchase price of an Asset;

1.3.104. **"New Services"** means any services closely associated with the provision of the Services and that are not included in the definition of the Services. New Services will be provided in accordance with **clause 4.11** of the **Main Agreement** and as set out in a Work Order;

1.3.105. **"OEM"** means the original equipment manufacturer and/or a party that is authorised by the original equipment manufacturer;

1.3.106. **"Operational Change Management Procedures"** has the meaning set out in **clause 5.2.1** of **Schedule B**;

1.3.107. **"Out-of-Support"** refers to the status of the device that is no longer supported by the OEM i.e. The OEM no longer manufactures spare parts, issues fix for, or otherwise

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provides, and support for the device.

1.3.108. **"Out-of-Warranty"** refers to the status of the device that is not under manufacturer warranty.

1.3.109. **"Parts"** has the meaning set out in **clause 7.8** of **Schedule B** (Service Management Services SOW)**;**

1.3.110. **"Party"** or **"Parties"** has the meaning set forth in the preamble to the **Main Agreement;**

1.3.111. **"Pass Through Expenses"** means an expense charged by a Third-Party Supplier for goods or services which relates to the Services, is purchased by Service Provider on behalf of SARS, and SARS agrees to pay on a Pass-Through basis. All Pass-Through Expenses are identified in**, Appendix D-S-3**;

1.3.112. **"Pass Through Expense Basis"** means the actual and reasonable amount charged or invoiced by the applicable third party for Pass Through Expenses without the addition of, or separate charge for any margin, mark-up, administrative or other similar fee;

1.3.113. **"Performance Bond"** has meaning set out in **29.17** of the **Main Agreement**;

1.3.114. **"Performance Management"** means the discipline embodied by the Performance Management Procedures and Performance Management Standards. In ITIL, such discipline is referred to as Service Level Management and Availability Management;

1.3.115. **"Performance Standard"** means a quantitative or qualitative level of service specified in this Agreement as to which Service Provider's performance of the Services must conform. Performance Standards include Service Levels;

1.3.116. **"Person"** means any person or entity, whether an individual, trustee, corporation, partnership, limited partnership, limited liability, company, trust, unincorporated organisation, business association, firm, joint venture, Governmental Entity or other governmental unit, agency or other body;

1.3.117. **"Personal Information"** means information relating to an identifiable, living, natural or juristic person as fully defined in section 1 of POPIA;

1.3.118. **"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;

1.3.119. **"Personnel Rates"** means the applicable charges by skill set for Services performed on a Time and Material Basis out in **Appendix D-9** to **Schedule D** (Charges, Invoicing and Payment);

1.3.120. **"Platinum"** means, with respect to a Service Level, the corresponding level of support

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defined in terms of, for example, time to respond or time to repair;

1.3.121. **"Post-Implementation Review"** or **"PIR"** has the meaning set out in the ITIL Service Support, CD-ROM v1, published by the Stationery Office;

1.3.122. **"Priority"** has the meaning set out in **Appendix B-2** (Urgency and Impact Definitions);

1.3.123. **"Privacy and Data Protection Requirements**" means the 8 (eight) requirements for the lawful Processing of personal information contained in Chapter 3 of POPIA;

1.3.124. **"Problem"** means unknown underlying cause of one or more Incidents;

1.3.125. **"Problem Control"** has the meaning set out in **clause 3.4** of **Schedule B** (Service Management Services SOW);

1.3.126. **"Problem Management"** means the ITIL discipline embodied by Problem Management Procedures and Problem Management Services;

1.3.127. **"Problem Management Procedures"** has the meaning set out in **clause 3.2.1** of **Schedule B** (Service Management SOW);

1.3.128. **"Problem Management Services"** has the meaning set out in **clause 2.3** of **Schedule B** (Service Management SOW);

1.3.129. **"Process and Procedures Library"** has the meaning set out in **clause 4.5** of **Schedule E** (Governance);

1.3.130. **"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;

1.3.131. **"Project"** means a set of tasks and other work relating to the Services that is requested by SARS after the Effective Date and performed by the Service Provider thereafter so long as:

1.3.131.1. the work is discrete and non-recurring;

1.3.131.2. the work requires start-up, planning, execution and closure;

1.3.131.3. the completion of the work is likely to result in a change to the environment in which the Services are provided; and

1.3.131.4. the work is not required for Service Provider to:

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1.3.131.4.1. meet the Performance Standards

1.3.131.4.2. implement changes to the environment required as a result of benchmarking under the Agreement;

1.3.131.4.3. meet Service Provider's currency (including refresh) obligations under the Agreement, or

1.3.131.4.4. meet any other obligations of Service Provider under this Agreement.

1.3.131.5. Projects may, at SARS discretion, include or exclude Project Management Services.

1.3.131.6. Projects must be contained in a Work Order in accordance with **Appendix E-5** (Form of a Work Order);

1.3.131.7. The Parties may agree to refer to other aggregations of work that do not meet the requirements of this definition of the term Projects as projects. In such case, such projects will be in scope and will not attract additional charges and will not necessarily be set out in a Work Order;

1.3.132. **"Project Management Services"** has the meaning set out in clause 10.2 of Schedule B (Service Management Services SOW);

1.3.133. **"Proposal"** means the Service Provider's written response submitted to SARS in response to the SARS RFP 03-2026 in respect of the Server Services;

1.3.134. **"Protection of Personal Information Act or POPIA"** means Protection of Personal Information Act, 2013 (Act No. 2 of 2013);

1.3.135. **"Receiving Party"** means the Party receiving Confidential Information from the Disclosing Party;

1.3.136. **"Removal"** has the meaning set out in **clause 7.4** of **Schedule B** (Service Management Services SOW);

1.3.137. **"Replacement Service"** has the meaning set out in **clause 6.2** of **Schedule D** (Charges, Invoicing and Payments);

1.3.138. **"Reports"** means the written reports to be provided by the Service Provider in accordance with the Agreements;

1.3.139. **"Request for Change or RFC"** has the meaning set out in ITIL;

1.3.140. **"Required Consent"** means, with respect to the Third-Party Software/Third Party Intellectual Property or any other resource provided to SARS under contract, those

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consents and approvals necessary to effect Service Provider's assumption of financial, administrative and operational responsibility, or Service Provider's access and use thereof, as applicable;

1.3.141. **"Resolve"** means to correct an Incident, Problem, or Known Error do that the affected Service is recovered and restored (and in the case of Incidents, Problems, or Known Errors affecting Supported Hardware or Supported Software is operating correctly), or a Workaround is otherwise successfully implemented, and that the end user or SARS support group has confirmed such resolution in accordance with the provisions of the Process and Procedures Library and the CMDB has been appropriately updated to reflect the Incident and its Resolution. 'Resolution' and 'Resolved' will have corresponding meanings;

1.3.142. **"Resolved"** with respect to an Incident or request for IMACD, is the state of being complete as verified by the Service Provider;

1.3.143. **"Resources"** has the meaning set out in **clause 4.14.2** of the **Main Agreement**;

1.3.144. **"Run Down Period"** means the six (6) month period before the expiry of the Term or the period beginning as soon as the Service Provider becomes aware that the Agreement is to terminate earlier than the expiry of the Term, following SARS' notice to the Service Provider that SARS will terminate this Agreement**;**

1.3.145. **"SARS"** means the South African Revenue Service;

1.3.146. **"SARS Assets"** means all SARS assets it owns including but not limited to, leases, or licences from Third Parties; (ii) the SARS facilities, including any furnishings, telephonic hardware, and computer hardware; (iii) or SARS sites (collectively the "**SARS Assets**")

1.3.147. **"SARS CAB"** means the SARS Change Advisory Board, including any individual(s) or body to whom it may delegate specific authority or responsibility from time to time;

1.3.148. **"SARS Oath / Affirmation of Secrecy" means** the document attached as **Schedule M** as amended by SARS from time to time;

1.3.149. **"SARS Personnel"** means any employee, officers, contractors or consultants of SARS other than Service Provider Personnel;

1.3.150. **"SARS PPS&G"** means SARS' 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. The SARS PPS&G are specified in **Appendix E-3** (SARS PPS&G) of **Schedule E** (Governance).

1.3.151. **"SARS Service Desk"** means the facilities, associated technologies, and SARS

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Personnel that provide SARS end-users with first level ICT related support;

1.3.152. **"SARS Site"** means a campus, office or other physical location leased, owned or occupied or managed by SARS;

1.3.153. **"SARS Software"** means: (a) Software owned by SARS as of the Effective Date and modifications made thereto during the Term, and (b) Software developed by or for, or acquired by, SARS during the Term and modifications thereto during the Term. SARS Software shall include Software developed during the course of the Service Providers performance of the Project or a New Service, to the extent such Software is developed by Service Provider and SARS;

1.3.154. **"SARS Support Group"** means SARS Personnel who are grouped in terms of work to resolve Incidents and/or Problems. For clarity, the teams may be comprised in whole in part of personnel of Third-Party Suppliers to SARS;

1.3.155. "**SD Card"** means secure digital card;

1.3.156. **"Second Level Support"** means technical support activities provided by the Service Provider support group that has specialist skills for Resolving Incidents that cannot be Resolved by SARS Service Desk and includes Service Personnel performing applicable on-site support and Service Desk personnel who can resolve the Incident via remote means;

1.3.157. **"Security Incident"** Security incidents will not be limited to a security-related adverse event in which there was a loss of data confidentiality, disruption of data or system integrity, but will include denial of service attacks, malicious code, unauthorized access, and inappropriate usage;

1.3.158. **"Server"** has the meaning set out in **clause 1.3.2** of **Schedule B-S** (Server Support Services SOW);

1.3.159. **"Server Environment"** has the meaning set out in **clause 1.3** of **Schedule B-S** (Server Support Services SOW);

1.3.160. **"Server Support Services"** has the meaning set out in **clause 1** of **Schedule B-S** (Server Support Services SOW);

1.3.161. **"Server Supported Hardware"** means Provided Hardware or Service Provider Provided Hardware that is a Server and that is designated by SARS as being the subject of the Server Support Services. The Server Supported Hardware as of the Effective Date consists of: (a) the SARS Provided Hardware set out in **Appendix B-S-8** (SARS Provided Hardware as of the Effective Date) that is designated therein by SARS as being the

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subject of the Server Support Services; and (b) the Service Provider Provided Hardware set out in **Appendix B-S-14** (Service Provider Provided Hardware as of the Effective Date);

1.3.162. **"Server Supported Hardware Enhanced Support"** has the meaning set out in **clause 7.11.1** of **Schedule B-S** (Server Support Services SOW);

1.3.163. **"Server Supported Software"** has the same meaning as Server Supported Hardware Enabling Software;

1.3.164. **"Service-only"** means the type of Break-fix services as set out in **clause 7.4.5** of **Schedule B** (Service Management SOW);

1.3.165. **"Service Coverage Period"** has the meaning set out in **clause 1.4.2** of **Schedule C** (Service Levels);

1.3.166. **"Service Level"** means the quantitative standards of performance of certain of the Services that Service Provider is required to satisfy under **Schedule C** (Service Levels);

1.3.167. **"Service Level Class"** has the meaning set out in **clause 1.4.1** of **Schedule C** (Service Levels);

1.3.168. **"Service Level Credit"** has the meaning set out in **clauses 1.5** and **clause 3** of **Schedule C** (Service Levels);

1.3.169. **"Service Level Failure"** means in respect of a Service Level, Actual Performance fails to meet or exceed such Service Level in the relevant month;

1.3.170. **"Service Level Report"** has the meaning set out in **clause 2.4.1** of **Schedule C** (Service Levels);

1.3.171. **"Service Management"** means the Service Management Services;

1.3.172. **"Service Management Services"** means the activities, functions, responsibilities, and services described in **Schedule B** (Service Management Services SOW);

1.3.173. **"Service Provider"** has the meaning set out in the preamble to the **Main Agreement;**

1.3.174. **"Service Provider Environment"** means the hardware, Software, contracts, Intellectual Property, assets, facilities, and other resources owned, leased, licensed or otherwise controlled by Service Provider (collectively, "Service Provider Resources") that, directly or indirectly, interface with, interconnect with, exchange data with or otherwise interact or interoperate with the relevant Environment or the systems Service Provider uses internally. Except as otherwise provided in this Agreement, the Service Provider Environment is out of the scope of the Services;

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1.3.175. **"Service Provider Personnel"** means any staff employed by or on behalf of Service Provider (or any Affiliates or Subcontractor) who perform any of the Services;

1.3.176. **"Service Provider Policies"** has the meaning set out in **clause 4.4.1.1.2** of **Schedule E** (Governance);

1.3.177. **"Service Provider Account Executive"** has the meaning given in **clause 8.3.1** of the **Main Agreement**;

1.3.178. **"Service Provider Operations Manager"** has the meaning given in **clause 8.3.2** of the **Main Agreement**;

1.3.179. **"Service Provider Provided Hardware"** means hardware owned or leased by Service Provider in order for Service Provider to perform the Services;

1.3.180. **"Service Provider Service Delivery Manager"** has the meaning set out in **Schedule B.**

1.3.181. **"Service Request"** means any request from the SARS Service Desk for Services to be performed by Service Provider. In certain cases, Service Requests will be for Services that are to be provided at no additional charge, and in other cases Service Requests may be for New Services. Which is the case will be determined by the terms and conditions of this Agreement;

1.3.182. **"Services"** has the meaning set forth in **clause 4** of the **Main Agreement**;

1.3.183. **"SFP"** means small form factor pluggable

1.3.184. **"Silver"** means, with respect to a Service Level, the corresponding level of support defined in terms of, for example, time to respond or time to repair;

1.3.185. **"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;

1.3.186. **"Statement of Work or SOW"** means any or all of the following:

1.3.186.1. **Schedule B** (Service Management Services SOW);

1.3.186.2. **Schedule B-S** (Server Support Services SOW);

1.3.187. **"Standard Chargeable Service"** is a defined package of work that is performed by the Service Provider on request by SARS at a fixed charge per request.

1.3.188. **"Steering Committee"** has the meaning set out in **clause 4.1** of **Schedule E** (Governance);

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1.3.189. **"Subcontractor"** means a Third Party (including a Service Provider Affiliate) to whom Service Provider subcontracts or otherwise delegates any Service Provider obligations to perform any of the Services (including subcontractors of a Subcontractor) provided that such Third Party has been approved for such purpose by SARS in accordance with the **Main Agreement**. For clarity, "Subcontractor" excludes parties for whom the Service Provider acts as a value-added reseller in terms of a reseller agreement with a bulk supplier / Service Provider / distributor;

1.3.190. **"Successor"** means SARS or any replacement service provider designated by SARS that replaces the Service Provider as the service provider to SARS of the Services or part of the Services;

1.3.191. **"Supported Asset(s)"** means the Supported Hardware, Supported Software, and any other hardware, Software, or other resources that are the subject of the Services from time to time;

1.3.192. **"Supported Environment"** means the Server Environment;

1.3.193. **"Supported Hardware"** means the hardware as listed in **Appendix B**;

1.3.194. **"Supported Software"** means the software as listed in **Appendix B**;

1.3.195. **"Swap-out"** means the type of Break-fix services as set out in **clause 7.5** of **Schedule B** (Service Management SOW);

1.3.196. **"Swap-out Device"** means the item of equipment used to replace a malfunctioning item of equipment in terms of the Swap-out services;

1.3.197. **"Taxpayer"** means a Person who is subject to the tax laws and regulations of the national or provincial governmental entities in South Africa;

1.3.198. **"Term"** has the meaning set out in **clause 3** of the **Main Agreement**;

1.3.199. **"Terminal State"** with respect to an Incident or request for IMACD, is the state of either Closed or Cancelled;

1.3.200. **"Terminated Services"** means any Services that are no longer to be performed by Service Provider and instead are to be performed by a Successor at the end of the Term or on a Termination in Part, including where such Services are replaced by alternative Services;

1.3.201. **"Termination Date"** means the effective date of termination or expiration pursuant to **clause 28** of the **Main Agreement** as it may be extended by SARS pursuant **clause 3.2** or **clause 28.5** of the **Main Agreement**;

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1.3.202. **"Third Level Support"** means one or more levels of either Service Provider support groups and/or, as appropriate, a hardware manufacturer, Software developer or other third party that has specialist skills and that are used to Resolve Incidents that cannot be Resolved by Second Level Support;

1.3.203. **"Third Party"** means a Person other than SARS, a Governmental Entity, Service Provider or its Affiliates;

1.3.204. **"Third Party Intellectual Property"** means all Intellectual Property that is owned or controlled by a Third Party and licensed to SARS; and

1.3.204.1. used by Service Provider to perform the Services; or

1.3.204.2. incorporated or embedded in any Deliverable or any Intellectual Property forming part of or related to any Deliverable;

1.3.205. **"Third Party Service Contracts"** means agreements with Third Party Suppliers pursuant to which the Third Party provides services to SARS;

1.3.206. **"Third Party Software"** means Software used to provide the Services that is provided by a Third Party licensed to Service Provider or its Affiliates or SARS. Third Party Software includes code libraries maintained by Service Provider or an Affiliate of Service Provider to the extent such code is licensed by a Third Party to Service Provider or an Affiliate of Service Provider;

1.3.207. **"Third Party Supplier"** means a Third Party that is a licensor of software, lessor of equipment, or supplier of other goods or services to SARS (or to a Governmental Entity that is receiving Services under this Agreement) from time to time, including such Third Party's employees, agents, Affiliates, subcontractors and Third-Party suppliers. Third Party Suppliers exclude any Affiliate, Subcontractor (direct or indirect), or other agents of Service Provider to the extent involved in performing or delivering the Services under contract (direct or indirect) with Service Provider;

1.3.208. **"Time and Materials Basis"** means compensation to Service Provider, where and to the extent additional work is expressly authorised to be paid in this manner under this Agreement, as follows: (i) at the Personnel Rates for the actual time expended on such work, and (ii) on a Pass-Through Expenses Basis for material or incidental costs incurred in performing such work;

1.3.209. **"Time to Resolve"** has the meaning set out in **clause 1.4.1 Schedule C** (Service Levels)

1.3.210. **"Tool(s)"** means any Software tool or process used to deliver the Services;

1.3.211. **"Transition**" has the meaning set out in **Appendix B-S-1** (Transition)**;**

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1.3.212. **"Transition Deliverable"** refers to any Deliverable to be delivered as part of the Transition;

1.3.213. **"Transition Manager"** has the meaning set out in the relevant Schedule;

1.3.214. **"Transition Milestone"** means a significant Transition Deliverable that requires SARS' acceptance;

1.3.215. **"Transition Plan"** means a plan setting forth the steps the Service Provider will take to transition the performance and delivery of the Services from SARS and any existing Third-Party Suppliers to SARS, as applicable, to the Service Provider. Such plan shall identify critical milestones, a timetable for accomplishing such milestones, the resources the Service Provider will deploy to accomplish the transition, the facilities to which the Services are to be transitioned, and any relevant, mutually agreed SARS Retained Responsibilities in accordance with **Appendix B-S-1** (Transition);

1.3.216. **"Transition Test"** means a test for determining acceptance by SARS of the delivery of a Transition Deliverable;

1.3.217. **"Unit Rate"** means an amount charged by Service Provider for a unit of consumption as described in **Appendix D**;

1.3.218. **"Uneconomical to Repair or UTR"** has the meaning set out in **clause 7.7** of **Schedule B** (Service Management Services SOW);

1.3.219. **"Urgency"** has the meaning set out in **Appendix B-2** (Urgency and Impact Definitions);

1.3.220. **"VAT"** means value added taxation as accordance with the Value Added Tax Act, 1991 (Act No. 89 of 1991);

1.3.221. **"Virus"** means any device, method or means, including any virus, Trojan horse, worm, lock-up, time bomb or disabling code, that:

1.3.221.1. causes the unplanned interruption of the Services or accessibility of Supported Hardware or Supported Software to the Service Provider or SARS; and/or

1.3.221.2. alters, destroys or inhibits the use of any Supported Hardware or Supported Software or the data contained therein; and/or

1.3.221.3. otherwise blocks access to Supported Hardware or Supported Software or interferes with the delivery of the Services to SARS;

1.3.222. **"Weighting Factor"** means the percentage weighting (if any) that is allocated by the SARS in accordance with clause 3.1 of Schedule C (Service Levels) against Service Levels from time to time;

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1.3.223. **"White Paper"** means a document containing a set of specific proposals that are developed following the production of a consultation paper (Green Paper) and which incorporates the feedback elicited from the Green Paper;

1.3.224. **"Whole Unit Spares**" has the meaning set out in **clause 7.6** of **Schedule B** (Service Management Services SOW);

1.3.225. **"Workaround"** means a temporary solution in respect of an Incident or Problem, so that the Incident or Problem is avoided either by implementing a temporary fix or by using a technique that means that the Service Recipients (and any affected end users) are not reliant on the particular aspect of the Service (or the relevant hardware, software or part thereof) that is affected by the Incident or Problem;

1.3.226. **"Work Order"** means a work order substantially in the form and fulfilling the requirements of **Appendix E-5** (Form of Work Order) and describing at least (i) the details of the New Services and or Projects to be performed under this Agreement, (ii) the amount, schedule and method of payment (subject to the provisions of **Schedule D**), (iii) start and end date or where applicable to the timeframes for performance, (iv) where applicable the completion and acceptance criteria, (v) any applicable Service Levels and Service Level Credits, etc. A Work Order will only be binding on the Parties once the Work Order has been signed by duly authorised representatives of both Parties and the receipt of a purchase order issued in accordance with SARS' procurement policies and procedures; and

1.3.227. **"WUS"** means entire functioning device to replace the non-functioning device temporary while the non-functioning device is being repaired or replaced. The device must deliver at least the same functionality as the non-functioning device

1.3.228. **"24X7" or 24X7X365"** means at all times;

2. INTERPRETATION

In this Agreement, a reference to:

2.1. any substantive provision, conferring rights or imposing obligations on a party and appearing in any of the definitions in this clause 2 or elsewhere in this agreement, shall be given effect to as if it were a substantive provision in the body of the agreement.

2.2. words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this agreement.

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2.3. Subject to **clauses 2.3, 2.5** and **2.10** below, defined terms appearing in this Agreement in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.

2.4. The terms "**holding company**" and "**subsidiary**" shall bear the meanings assigned thereto in the Companies Act, 2008 (Act No. 71 of 2008).

2.5. A reference to any statutory enactment shall be construed as a reference to that enactment as at the Effective Date and as amended or substituted from time to time.

2.6. Reference to "**days**" shall be construed as calendar days unless qualified by the word "**business**", in which instance a "**business day**" will be any day other than a Saturday, Sunday or public holiday as gazetted by the government of the Republic of South Africa from time to time. Any reference to "**business hours**" shall be construed as being the hours between 08h00 and 17h00 on any business day. Any reference to time shall be South African Standard Time.

2.7. Unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a business day, the next succeeding business day.

2.8. Where figures are referred to in numerals and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.

2.9. No provision herein shall be construed against or interpreted to the disadvantage of a Party by reason of such Party having or being deemed to have structured, drafted or introduced such provision.

2.10. The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

2.11. The use of any expression in this Agreement covering a process available under South African law, such as winding-up, shall, if either of the Parties to this Agreement is subject to the law of any other jurisdiction, be construed as including any equivalent or analogous proceedings under the law of such other jurisdiction.

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2.12. The words "**include**" and "**including**" mean "**include without limitation**" and "**including without limitation**". The use of the words "**include**" and "**including**" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.

2.13. Any reference in this Agreement to "**this Agreement**" or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document, as amended, varied, novated or supplemented from time to time.

2.14. This Agreement incorporates the annexes which annexes shall have the same force and effect as if set out in the body of this Agreement. In this Agreement the words "**clause**" or "**clauses**" and "**annexe**" or "**annexes**" refer to clauses of and annexes to this Agreement.

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SCHEDULE B: SERVICE MANAGEMENT SERVICES SOW

APPENDICES AND ATTACHMENTS

Appendix B-1	Required Configuration Items (Cis)
Appendix B-2	Urgency and Impact Definitions

This **Schedule B** (Service Management SOW) sets forth the Service Management and common Services that Service Provider will provide as part of performing Server Support Services.
The Service Provider must perform all of the Service Management Services described in this **Schedule B** (Service Management Services SOW) when read together with the specific service management provisions of **Schedule B-S** (Server Support Services SOW) (which may be supplements, deletions or other modifications to the baseline of Service Management Services specified in this **Schedule B** (Service Management SOW)).

1. SERVICE INTERFACE

1.1. The Service Provider must provide an interface for all contacts between the Parties relating to the performance, receipt, request, notification and use of the Services ("**Contacts**") as described in this **clause 1** (the "**Service Interface**"). The Service Interface must provide a seamless interface for all communications or activities relating to the Services. The Service Interface will provide SARS with second level support relating to the Services through the Service Interface. For clarity, the Service Interface will not be used as the primary interface to the Service Provider by SARS End-users.

1.2. **Service Management System**

1.2.1. SARS will log Contacts relating to technical requests, incidents, changes and problems on the SARS Service Management System. The Service Provider must provide Service Provider Personnel to be onsite at SARS' offices in Brooklyn, Pretoria, as directed by SARS, to retrieve such Contacts from the SARS Service Management System using SARS-provided open-plan office space, desk, chair telephone handset and network connection point (collectively referred to as "Seats") to access the SARS Service Management System. The Service Provider Personnel assigned to retrieve Contacts from the SARS Service Management System must also update the status of the Contacts on the SARS Service Management System in near real time. With SARS' approval, the Service Provider may, at its own cost, provide the necessary infrastructure, including software licences, to interface to the SARS Service Management System to provide to access and update Contacts.

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[Note to Bidder, the number of Service Provider Personnel required to be at a SARS Site and the total number of licences to be made available to the Service Provider will be finalised on contract conclusion. The number of licences and Seats to be made available to the Service Provider by SARS are detailed in the *Business Requirements Specification*]

1.2.2. For clarity, the use of the SARS Service Management System will be limited to the retrieval and updating of Contacts and will not be made available to the Service Provider for the scheduling and direction of the Service Provider's technicians.

1.3. **Management of Contacts**

1.3.1. The Service Provider must keep its own record of all Contacts. Contacts may relate to known or suspected Incidents or Problems, requests for Changes or New Services, or questions relating to the use of the Services.

1.3.2. The Service Provider must report to SARS monthly on the number and status of Contacts received. Contacts must be categorized as follows: (i) Incidents or Problems relating to the Services; (ii) questions relating to the Services; (iii) requests for standard Changes; (iv) requests for non-standard Changes; (v) other issues relating to the Services; or (vi) issues or questions that do not relate to the Services.

1.3.3. The Service Interface must be able to receive Contacts through multiple communication channels in order to facilitate reliable communications between the Parties (for example, from the SARS Service Management System, email, SMS and phone etc.).

1.3.4. With respect to Contacts that are received as telephone calls, the Service Interface must resolve as many such Contacts as possible during the initial contact without transferring or escalating the Contact.

1.3.5. Service Provider must not automatically consider the Contacts outside of the scope of the Services because they may relate to services provided by Managed Third Parties or Third-Party Suppliers, or to a Managed Third Party or a Third-Party Supplier and must be investigated and verified by the Service Provider fully.

1.3.6. With respect to Contacts that do not relate to the Services, the Service Provider must record and route the Contacts to the applicable SARS Support Group or other resource designated by SARS for such issues. No Contact may be transferred by the Service Provider without the Service Provider first verifying that the Contact is outside of the scope of the Services.

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1.4. **Resources**

1.4.1. Service Provider must ensure that the Service Provider Personnel providing Service Interface functions must be trained in, or must otherwise be made knowledgeable about, the Services and SARS' environment. The Service Provider must provide sufficient numbers of the Service Provider Personnel with the requisite training to be able to address SARS' specific issues and questions. The Service Provider must develop and maintain a knowledge data base to aid the Service Provider Personnel providing Service Interface functions to do so.

1.5. **Hours of Service**

1.5.1. Service Provider must provide contact information so that the Service Provider Personnel staffing the Service Interface functions can be accessed as appropriate on a 24x7 basis.

1.5.2. As part of the escalation procedures set forth in the Process and Procedures Library, each Party will provide and update the other Party with the names and mobile phone numbers of one or more individuals who will serve as points of contact for any urgent concerns. Each Party will make a contact person available on a 24x7x365 basis.

2. INCIDENT MANAGEMENT SERVICES

2.1. Service Provider must perform incident management, including the Services described in this clause 2 (collectively, the "**Incident Management Services**"). The Service Provider must perform the Incident Management Services in accordance with the processes and procedures set forth herein and/or the applicable SARS PPS&G, interfacing seamlessly and non-disruptively with such applicable SARS PPS&G.

2.2. **Incident Management Procedures**

2.2.1. **Development**

2.2.1.1. Service Provider must prepare for SARS' review and approval detailed Incident Management processes and procedures for the Services no later than 60 (sixty) days after the Effective Date. Such Service Provider Incident Management processes and procedures must interface seamlessly with the applicable SARS PPS&G and SARS' other Service Management processes. The Service Provider must incorporate SARS' comments on such procedures and include such revised procedures in the Process and Procedures Library promptly but no later than 30 (thirty) days after SARS has provided such comments (the "**Incident Management Procedures**"). The Incident Management Procedures must be based on the processes and procedures set forth in this **clause 2**

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and, to the extent consistent with the processes and procedures set forth in this **clause 2**, the Service Provider's standard processes and procedures that it uses to perform Incident Management services for other customers.

2.2.1.2. Service Provider must follow the Incident Management Procedures from the date that they have been approved by SARS. Before such date, the Service Provider must follow the processes and procedures regarding Incident Management that are set forth in this **clause 2** supplemented with Service Provider's own standard processes and procedures to the extent they are not inconsistent with the SARS PPS&G or with this **clause 2**.

2.2.2. **Updates**

2.2.2.1. The Service Provider must promptly update the Incident Management Procedures to reflect any changes in the applicable SARS PPS&G. The Service Provider must submit the revised Incident Management Procedures to SARS for its review and approval in the same manner as set forth in clause 2.2.1 above.

2.2.3. **Incident Recording**

2.2.3.1. **Recording Incidents**

a) The Service Provider must record Incidents in the SARS Service Management System immediately upon their earliest detection by the Service Provider. Manners in which an Incident may be detected by the Service Provider include: (i) an End-user who reports it to Service Provider Personnel; (ii) a system; or (iii) SARS Support Group staff.

2.2.3.2. **Checking for the Same or Similar Incidents**

a) When recording an Incident, so as to avoid recording the same Incident as separate Incidents, the Service Provider must first check to see if there are similar open Incidents. If there are and they concern the same Incident, the Service Provider must update the Incident information and link the newly reported Incident to the existing Incident record. The Service Provider must resolve the Incident and make reference to the duplicate Incident record. If there is no record of an already open or closed Incident, then the Service Provider must open a new Incident. If this is the report of a new Incident but there have been other similar Incidents, this must be noted and addressed (including being made a part of the Incident Management reporting to SARS). The Service Provider must identify and analyse the reasons for any differences in the effectiveness of the resolution for similar Incidents in accordance with the Problem Management Procedures.

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2.2.3.3. **Service Provider Incident Tracking System**

a) At all times during the Term the Service Provider must utilize an electronic Incident tracking system capable of capturing and storing appropriate information relating to each Incident, including the information specified in this clause 2 as being stored in such Incident tracking system. The Service Provider's Incident tracking system must provide the basis for record creation and updates in the SARS Service Management System in near real time. The Service Provider must accomplish this by updating the SARS Service Management System directly or, optionally, through an interface between Service Provider's Incident tracking system and the SARS Service Management System, all in accordance with clause 11.8.2 below. Unless specified otherwise in this clause 2, references to the Incident tracking system must be to the Incident tracking system used by the Service Provider to perform Incident Management Services.

2.3. Classification

a) All Incidents must be classified in accordance with the process set forth in this **clause 2.3.** The Service Provider must comply with the then-current SARS PPS&G relating to Incident Management and must interface closely with SARS so as to correctly identify and classify Incidents.

2.3.1. **Process**

a) In the first instance, the Service Provider must make such classification in accordance with SARS' then-current Impact and Urgency classifications in accordance with SARS PPS&G. Such classifications as of the Effective Date are set out in **Appendix B-2** (Urgency and Impact Definitions). If there is a disagreement as to the priority level that should be assigned to an Incident, the priority level must be that prescribed by SARS in its reasonable judgment.

2.3.2. **Re-categorisation of Recurring Incidents**

a) The Service Provider must re-categorise recurring Incidents to a higher Impact and Urgency classifications in accordance with the Incident Management Procedure.

2.3.3. **Incident Record**

a) The Service Provider must create and maintain an Incident record (trouble ticket) for each Incident containing details of the Incident symptoms, an initial Incident categorization, and the Impact and Urgency of the incident. Service Provider's records

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of Incidents must be designed to enable Service Provider to measure, report and improve the affected processes, provide information required for other Service Management processes, and report on progress.

2.4. Communications

2.4.1. The Service Provider must keep the applicable SARS contacts (as then specified in the Process and Procedures Library) apprised of the status of Incident Management activities on an ongoing basis in accordance with the notification and escalation processes set forth in the Incident Management Procedure. The Service Provider's obligations in such regard must include:

2.4.1.1. documenting and maintaining the Incident Management Procedures for notifying affected parties, including SARS, of Incidents, escalation paths, contacts and timescales;

2.4.1.2. alerting SARS of any Incidents in accordance with the Incident Management Procedures;

2.4.1.3. proactively update the SARS Service Management System with the estimated maximum time to resolve the Incident;

2.4.1.4. as and when required inform the relevant SARS manager about the estimated maximum time to resolve the Incident, and apprising him or her of progress on an ongoing basis;

2.4.1.5. at SARS' request, providing SARS with a preliminary report of the Incident on an expedited basis;

2.4.1.6. updating status in the relevant record in the SARS Service Management System promptly upon any developments so that it is current on a near real time basis; and

2.4.1.7. notifying SARS Incident Management team promptly in accordance with the Incident Management Procedure in the event that an Incident is likely to require a Problem investigation, including informing SARS Problem Management team.

2.5. Resolution and Recovery

2.5.1. The Service Provider must resolve Incidents and return the affected Services to full performance in accordance with this Agreement, including the Performance Standards, as soon as possible but no later than the applicable time specified in the applicable Service Levels with the least possible impact on the operations of SARS and the affected users.

2.5.2. The Service Provider must provide SARS with prior written notice of any Workaround or permanent solution that:

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2.5.2.1. may have a further impact on the Services or on SARS;

2.5.2.2. represents a departure from SARS' processes; or

2.5.2.3. materially increases or is likely to materially increase the workload of SARS Personnel or SARS systems or SARS' costs.

2.5.3. The implementation of every Workaround or permanent solution must be subject to the Problem Management Procedure. Without limiting the generality of the foregoing, the Service Provider must identify and describe all other Workarounds on the morning report submitted by the Service Provider on the next business day after the Workaround was implemented.

2.5.4. After the implementation of a Workaround, the Service Provider must continue to work on finding and implementing a permanent solution and must continue to report on the status of the Workaround to SARS no less frequently than weekly. The Service Provider must in any event implement a permanent solution within 30 (thirty) days, unless otherwise approved by SARS.

2.5.5. The Service Provider will provide and attach documentation required, as stipulated in the Incident Management Procedure, confirming permanent service restoration and other required checks, including, but not limited to, job cards, photographs, barcode reading confirmations. In addition to the Incident Management Procedures, the Service Provider must follow the processes described in **Appendix E-4** (SARS ICT Crisis Management Process) with regard to major impact incidents.

2.6. Completion and Closure of Incidents

2.6.1. An Incident will not be Closed until all updates have been made to the CMDB to reflect the final resolution of the Incident, any Changes, the date and time of resolution, the final classification and priority of the Incident, the Services/End-users/functions that were affected, the CIs identified as the cause of the Incident, other required documentation confirming service restoration and any Workarounds.

2.6.2. When an Incident has been Resolved, the Service Provider will record the Incident as Resolved and communicate this fact to SARS by updating the SARS Service Management System to reflect the Incident's status of being Resolved. Only SARS may Close Incidents. On verification that the Incident has indeed been resolved SARS will update the Incident Management System to record the date and time that the Incident was Closed. If the Incident is not verified to have been resolved, the Service Provider must re-commence activities to Resolve the Incident.

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2.6.3. The Service Provider must participate in Incident post-mortem and improvement activities to prevent the re-occurrence of the Incident and to improve the Incident Management process.

2.6.4. Service Provider must ensure the quality of information recorded in the SARS Service Management System and must perform a check before placing the incident in Resolved status to confirm information is correct. The Service Provider Service Delivery Manager must also undertake a periodic review, no less frequently than monthly, and report to SARS on the level of the quality of the information recorded by the Service Provider.

2.7. Incident Management Services Outputs

The outputs of Incident Management Services include:

2.7.1. **Incident Management Procedures:**

2.7.2. up-to-date electronic records in the SARS Service Management System (updated with information about each Incident relating to status, solutions, and Workarounds);

2.7.3. RFCs (Requests for Change) implemented to resolve Incidents; and

2.7.4. management information relating to Incident Management Services as requested by SARS from time to time (e.g., status, updates, efficiency and effectiveness, other management or performance metrics).

3. PROBLEM MANAGEMENT SERVICES

3.1. Service Provider must perform Problem Management including the services described in this clause 2.3 (collectively, the “Problem Management Services”) and must do so in accordance with the processes and procedures set forth or referred to herein and in a manner that interfaces seamlessly and non-disruptively with the applicable SARS PPS&G. In performing the Problem Management Services, the Service Provider must minimise the adverse effect of Problems on SARS’ operations, the Services, and the End-users and proactively minimise the Impact, and prevent the occurrence, of Problems. The Service Provider may be required by SARS to work on SARS’ systems directly to manage Problems.

3.2. **Problem Management Procedures**

3.2.1. **Development**

3.2.1.1. Service Provider must prepare for SARS’ review and approval detailed Problem Management processes and procedures for the Services no later than 60 (sixty) days after the Effective Date. Such processes and procedures must interface seamlessly with

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the applicable SARS PPS&G and the other Service Management processes. The Service Provider must incorporate SARS' comments on such procedures and include such revised procedures in the Process and Procedures Library promptly but no later than 30 (thirty) days after SARS has provided such comments (the "**Problem Management Procedures**"). The Problem Management Procedures must be based on the processes and procedures set forth in this **clause 3.2** and, to the extent consistent with the processes and procedures set forth in this **clause 3.22.3**, the Service Provider's standard processes and procedures that it uses to perform Problem Management services for other customers.

3.2.1.2. The Service Provider must follow the Problem Management Procedures from the date that they have been approved by SARS. Before such date, the Service Provider must follow the processes and procedures regarding Problem Management that are set forth in this **clause 3** supplemented with Service Provider's own standard processes and procedures to the extent they are not inconsistent with the SARS PPS&G or with this **clause 3**.

3.2.2. **Updates**

3.2.2.1. The Service Provider must promptly update the Problem Management Procedures to reflect any changes in the applicable SARS PPS&G. the Service Provider must submit the revised Problem Management Procedures to SARS for its review and approval in the same manner as set forth in **clause 3.2.1** above.

3.3. Proactive Problem Management

3.3.1.1. The Service Provider must use Commercially Reasonable Efforts to proactively prevent Problems, including by means of performing trend analyses and identifying potential Incidents before they occur. The Service Provider must use Commercially Reasonable Efforts to prevent failures from spreading. The Service Provider must identify and investigate weaknesses of infrastructure components.

3.4. Problem Control

3.4.1.1. The Service Provider must be responsible for identifying Problems and investigating their root cause in accordance with the terms of this clause 3.4 ("Problem Control"). When the Problem investigation has identified the root cause of a Problem and a resolution to the Problem, the Problem must be classified as a Known Error. In performing Problem Control, Service Provider must perform the following Services.

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3.4.1.2. **Problem Identification and Recording**

a) The Service Provider must associate Incidents caused by one or more Problem(s) with such Problem(s), including Incidents that recur or are expected to recur, as well as any single significant Incident.

3.4.2. **Problem Classification**

The Service Provider must analyse Problems and classify them in accordance with SARS' then-current Impact and Urgency classifications. SARS Impact and Urgency classifications as of the Effective Date are set forth in **Appendix B-2** (Urgency and Impact Definitions). The analysis must include an Impact analysis assessing the seriousness of the Problem and its effect on the Services. The Service Provider must confer with SARS in formulating these classifications and categorizations. If there is a disagreement as to the priority level that should be assigned to a Problem, the priority level must be that prescribed by SARS in its reasonable judgment. Factors to be considered in determining the classification of a Problem must include:

3.4.2.1. category -- identifying the relevant domain, for example hardware or Software;

3.4.2.2. Impact -- on the business;

3.4.2.3. Urgency -- extent to which deferral of the solution is acceptable;

3.4.2.4. probability of its reoccurrence;

3.4.2.5. Priority; and

3.4.2.6. status -- e.g., Problem, Known Error, Resolved, closed pending PIR.

These classifications and categorizations must be updated to reflect any changes during the resolution of the Problem. For example, new Incidents may increase the Impact and Urgency, and accordingly Priority, of a Problem.

3.4.3. **Problem Investigation and Resolution**

3.4.3.1. The Service Provider must investigate and diagnose each Problem to achieve resolution.

3.4.3.2. The Service Provider must perform the Error Control activities described below in **clause 3.5**.

3.4.3.3. If a temporary fix requires modification of infrastructure, the Service Provider must

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implement it in accordance with the Operational Change Management Procedures.

3.4.3.4. The Service Provider must comply with and interface with SARS' Problem Management Procedures.

3.4.3.5. Service Provider must correctly identify Problems and investigate and monitor the Problem(s) to resolution.

3.4.3.6. The Service Provider must conduct a formal root cause analysis to identify the origin of each Problem that: (i) gave rise to a Service Level Failure; (ii) results from a Critical Priority Incident; or (iii) is a repeat Incident.

3.4.3.7. Once the Service Provider has identified the root cause of a Problem and a method of Resolving it, such Problem must be classified as a Known Error. The Service Provider must record all Known Errors and link them to the current and potentially affected Services, affected CIs and any Workarounds implemented. Known Errors must not be closed until they have been Resolved.

3.4.3.8. The Service Provider must use Commercially Reasonable Efforts to eliminate the root cause of each of the types of Problems specified in **clause 3.4.3.6** above and prevent recurrence of such Problem, including by means of performing a detailed review of each such Problem.

3.4.3.9. If requested by SARS, the Service Provider must facilitate Problem Management investigations and reviews of Problems, including identifying Problem trends.

3.4.3.10. The Service Provider must participate in cross-functional Problem determination activities, including facilitating Problem Management review and Problem Management investigation meetings as reasonably required by SARS.

3.4.3.11. The Service Provider must adhere to the mutually agreed Problem escalation path for each Problem severity group.

3.4.3.12. The Service Provider must take 'ownership' for all Problems assigned to the Service Provider by SARS, including using Commercially Reasonable Efforts to manage Third Party Suppliers where necessary in order to determine the root cause of or resolve the Problem.

3.4.3.13. The Service Provider must report to SARS during the normal reporting cycle the results of any root causes analyses conducted with respect to Problems including those that were

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the result of a Critical Priority Incident or caused a Service Level Failure.

3.4.3.14. The Service Provider must report the Service Provider's progress in conducting root causes analyses to SARS on a daily basis on each Problem that gave rise to a Service Level Failure or was the result of a Critical Priority Incident.

3.4.3.15. The Service Provider must conduct all root cause analyses in accordance with the applicable procedures set forth in the Process and Procedures Library.

3.4.3.16. With respect to each Problem that gave rise to a Service Level Failure or results from a Critical Priority Incident, the Service Provider must provide SARS with: (1) a plan for correcting such failure and preventing its recurrence; (2) reasonable evidence that the Problem has been corrected and will not recur, and (3) a detailed explanation of the Service Provider's contingency plan.

3.5. Error Control

3.5.1. The Service Provider must monitor and manage Known Errors until they are successfully resolved ("Error Control"). The Service Provider must perform Error Control in accordance with the Operational Change Management Procedures and evaluate the changes in a Post-Implementation Review ("PIR"), as described in **clause 3.6** below. The Service Provider must monitor and report on all Known Errors from their identification through to their resolution.

3.6. Problem Closure and Post-Implementation Review ("PIR")

3.6.1. When Problems and Known Errors are resolved, the Service Provider must record Problems and Known Errors as Resolved. Only SARS will Close Problems. Once implemented, all Changes to Resolve Problems and Known Errors must be reviewed in a Post-Implementation Review (PIR). SARS will not Close the Problem until (i) the PIR has been completed, (ii) any other steps mandated under the relevant SARS PPS&G have been completed, and (iii) the Parties agree (acting reasonably) that the Change(s) was (were) implemented in such a fashion so as to Resolve the Problem or Known Error. In such case, all related Problem and Known Error records, together with their associated Incident records, will be closed by SARS. For Problems designated as major, in SARS' reasonable judgment, a separate Major Problem Review must promptly be undertaken jointly by the Service Provider and SARS to identify:

3.6.1.1. what was done effectively;

3.6.1.2. what was done ineffectively;

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3.6.1.3. how it can be done more effectively in the future; and

3.6.1.4. further steps the Service Provider should take to prevent a recurrence.

3.7. Communications

3.7.1. The Service Provider must keep applicable SARS contacts apprised of the status of Problem Management activities in accordance with the Problem Management Procedure notification and escalation processes. The Service Provider's obligations include:

3.7.1.1. alerting SARS of any Problems; and

3.7.1.2. at SARS' request, providing a preliminary report of the Problem on an expedited basis to SARS.

3.8. Problem Management Services Outputs

The outputs of Problem Management Services include:

3.8.1. Problem Management Procedures;

3.8.2. updates to the Known Error and solutions database which is a subset of the SARS Service Management System;

3.8.3. up-to-date Problem records (updated with information about status, Known Errors, solutions and/or Workarounds);

3.8.4. closed Problem records (once the root cause has been eliminated and the Problem resolved);

3.8.5. linking of Incidents to Problems and Known Errors;

3.8.6. Problem reports indicating history and status of Problems, categorised by type, time period and status as reasonably requested by SARS; and

3.8.7. management information relating to Problem Management Services (e.g., status, updates, efficiency and effectiveness, other management or performance metrics).

4. CONFIGURATION MANAGEMENT SERVICES

4.1. The Service Provider must perform Configuration Management including the services described in this clause 4 (collectively, the '**Configuration Management Services'**) and

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must do so in accordance with the processes and procedures set forth or referred to in this clause 4 and in a manner that operates seamlessly and non-disruptively with the applicable SARS PPS&G. Configuration Management Procedures.

4.2. **Development**

4.2.1. Service Provider must prepare for SARS' review and approval detailed Configuration Management processes and procedures for the Services no later than 60 (sixty) days after the Effective Date. Such Service Provider Configuration Management processes and procedures must interface seamlessly with the applicable SARS PPS&G and SARS' other Service Management processes. The Service Provider must incorporate SARS' comments on such procedures and include such revised procedures in the Process and Procedures Library promptly but no later than 30 (thirty) days after SARS has provided such comments (the "**Configuration Management Procedures**"). Such processes and procedures must be based on the processes and procedures set forth in this **clause 4** and, to the extent consistent with the processes set forth in this **clause 4**, the Service Provider's standard processes and procedures that it uses to perform Configuration Management services for other customers.

4.2.2. The Service Provider must follow the Configuration Management Procedures from the date that they have been approved by SARS. Before such date, Service Provider must follow the processes and procedures regarding Configuration Management that are set forth in this **clause 4** supplemented with Service Provider's own standard processes and procedures to the extent they are not inconsistent with the SARS PPS&G or with this **clause 4**.

4.3. Updates

4.3.1. Service Provider must promptly update the Configuration Management Procedures to reflect any changes in the applicable SARS PPS&G. Service Provider must submit the revised Configuration Management Procedures to SARS for its review and approval in the same manner as set forth in clause 4.2 above.

4.4. Configuration Management Database (CMDB)

4.4.1. **Introduction**

The Service Provider must be responsible for maintain and/or create configuration information to the extent set out in this **Schedule B**. The SARS CMDB must be used by the Service Provider as the repository for configuration information subject to **clause 11.8.2** below by using the SARS Service Management System directly.

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4.4.2. **Use of SARS' CMDB**

In addition to **clause 11.8.2** below the Service Provider must use the schemas and standards defined in the SARS CMDB and must update the SARS CMDB in accordance with applicable SARS PPS&G.

4.4.3. **CI Relationships, Level of Breakdown and CI attributes**

The CMDB must be maintained (create and/or update) to include information regarding the relationships between CIs, level of breakdown and attributes as specified in **Appendix B-1** (Required Configuration Items (CIs)).

Relationships must be maintained between a CI and the following records: Change records (i.e., Change records currently or formerly open for the CI); Problem records (i.e., Problem records currently or formerly open for the CI); Incident records (i.e., Incident records currently or formerly related to the CI); and Release records (i.e., Releases currently or formerly related to the CI).

4.4.4. **Naming Conventions and Labelling**

The Service Provider must ensure that each CI has a unique and systematic name to ensure it can be distinguished from other CIs. Service Provider will adopt SARS's existing CMDB naming scheme with respect to the Services and will not make any changes.

4.4.5. **Other Contents of the CMDB**

The CMDB must be maintained to include the status history of each CI.

4.4.6. **Baselines**

A baseline of the appropriate configuration items must be taken before any migration into production or other release to the live environment.

4.4.7. **Status Accounting**

The Service Provider must assign a status code to each stage in the lifecycle of a CI (e.g. "In-inventory", "Reserved", "Deployed", "Loan Unit", "Decommissioned", "Deleted", etc.) in accordance with the SARS PPS&G.

4.4.8. **Control of CIs**

4.4.8.1. The Service Provider must keep the CMDB up to date with regard to changes the Service

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Provider makes. Whenever an activity performed by the Service Provider to install a new CI, changes the recorded characteristics of the CI, or the relationships between CIs, the Service Provider must promptly record the change in the CMDB and in no event more than 10 (ten) business hours after the change. Changes to characteristics of CIs can only be made through the Operational Change Management Procedure. The status of an existing CI may only be changed through one of the Service Management processes as necessary to reflect the reality of the situation (e.g., system down).

4.4.8.2. A Change must not be deemed to have been completed until the CMDB has been updated.

4.4.8.3. The Service Provider must use Configuration Management to control all CIs that are within the scope of this Agreement and must ensure that each such item is timeously updated in the CMDB. Without limiting the Service Provider's obligations, no more than 10 (ten) business hours after the applicable CI is placed into service.

4.4.9. Without limiting the generality of the foregoing, the Service Provider must **create and/or update** CIs in the CMDB with all mandatory information as per SARS PPS&G (new CIs and CIs already in the environment) upon the occurrence of any of the following actions:

4.4.9.1. a CI is created;

4.4.9.2. a CI is added;

4.4.9.3. a CI is changed;

4.4.9.4. a CI is moved;

4.4.9.5. a CI is removed;

4.4.9.6. a CI is supported;

4.4.9.7. a CI changes its status;

4.4.9.8. a CI changes ownership;

4.4.9.9. a CI changes in relationship to another CI;

4.4.9.10. a CI acquires other relationships with a service, documentation or other CIs e.g. printer, scanner, monitor, etc;

4.4.9.11. a change to a CI via the Service Management processes;

4.4.9.12. Verification and Audits of the CMDB;

4.4.9.13. a CI's details are updated after an audit or change; or

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4.4.9.14. prior to using any new or replacement CI to perform the Services.

4.4.10. As and when the Service Provider is required to investigate or to work physically on a CI in the course of providing the Services, including work performed on a Project and/or on a Time and Materials basis, the Service Provider must record the details pertaining to the CI and ensure that the details as recorded on the CMDB are accurate, including the maintenance of any relationship that may exist between the CI being worked upon and another CI. In addition, SARS may from time to time specifically engage the Service Provider to perform physical audits on a Time and Materials basis or on a Project basis during which the Service Provider must verify and update the CMDB accordingly.

4.4.11. **Discrepancies**

Any discrepancies found between the CMDB and the actual information about any CI must be logged as Incidents and must be investigated and dealt with retrospectively through the Incident Management Procedure (and, if necessary, the Problem Management Procedure and Operational Change Management Procedure), including to determine if Operational Change Management Procedures were bypassed.

4.4.12. **Project Management**

Planning and executing all Configuration Management activities, including tracking changes to CIs, creating and introducing new CIs, decommissioning existing CIs and updating the CMDB within 30 (thirty) business hours of any project-related change to a CI, unless otherwise specified by SARS.

4.5. Configuration Management Services Outputs

4.5.1. The outputs of Configuration Management Services include:

4.5.1.1. Configuration Management Procedures;

4.5.1.2. Up-to-date CMDB;

4.5.1.3. Audit results;

4.5.1.4. Incidents raised when discrepancies are found;

4.5.1.5. Configuration reports and listings; and

4.5.1.6. Management information relating to Configuration Management Services as requested by

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SARS from time to time.

5. OPERATIONAL CHANGE MANAGEMENT SERVICES

5.1. Introduction

5.1.1. The Service Provider must perform Operational Change Management, including the Services described in this **clause 5** ("**Operational Change Management Services**") and must do so in accordance with the processes and procedures set forth or referred to herein and in a manner that:

5.1.1.1. operates and interfaces seamlessly and non-disruptively with the SARS PPS&G relating to Operational Change Management and the other Service Management processes;

5.1.1.2. facilitates the efficient and prompt handling of any Changes made by the Service Provider; and

5.1.1.3. facilitates making Changes quickly and with the least possible impact on the operations of SARS or on the affected End-users.

5.1.2. The obligation of the Service Provider in providing Operational Change Management Services is to participate and comply with the applicable SARS PPS&G relating to operational change.

5.1.3. A "Change" is any modification, alteration, or other change made by the Service Provider to:

5.1.3.1. the Services:

5.1.3.2. the manner, means or format in which the Service Provider supplies and delivers the Services, including any work product, reports, data feeds or other outputs of the Services;

5.1.3.3. the Service Provider Environment, but only if the Change impacts any Supported Hardware, Supported Software, the SARS environment, SARS' receipt or use of the Services, or the Charges or Pass-Through Expenses; or

5.1.3.4. the SARS environment, but only if the Change impacts any Supported Hardware, Supported Software, the Service Provider Environment, or Service Provider's supply or delivery of the Services.

5.1.3.5. Examples of Changes include changes to systems or processes, configuration changes, changes in technology, changes to environmental parameters and changes to policies or

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procedures.

5.1.3.6. No Change may commence without SARS' prior written approval in accordance with SARS PPS&G.

5.1.3.7. SARS must not unreasonably withhold its approval for Changes solely to the Service Provider Environment under **clause 5.1.3.3** above provided that (i) the Service Provider makes SARS whole for any adverse effects (including operational and economic) resulting from such Change, and (ii) the impact on SARS, the Services, the Supported Hardware, Supported Software, or the SARS environment is not material.

5.1.3.8. SARS may withhold approval for, in its sole discretion, any other Change.

5.1.4. The Service Provider may be required by SARS to work on the SARS Service Management System directly to manage Changes.

5.2. Operational Change Management Procedures

5.2.1. Service Provider must prepare for SARS' review and approval detailed Change Management processes and procedures for the Services no later than 60 (sixty) days after the Effective Date. Such processes and procedures must interface seamlessly with the applicable SARS PPS&G and the other SARS Service Management Processes. The Service Provider must incorporate SARS' comments on such procedures and include such revised procedures in the Process and Procedures Library promptly but no later than 30 (thirty) days after SARS has provided such comments (the "**Operational Change Management Procedures**"). The Operational Change Management Procedures must be based on the processes and procedures set forth in this **clause 5**, and, to the extent consistent with the processes and procedures set forth in this **clause 5**, the Service Provider's standard processes and procedures that it uses to perform operational change management services for other customers.

5.2.2. The Service Provider must follow the Operational Change Management Procedures from the date that they have been approved by SARS. Before such date, the Service Provider must follow the processes and procedures that are set forth in this **clause 5** supplemented with Service Provider's own standard processes and procedures to the extent they are not inconsistent with the SARS PPS&G or with this **clause 5**.

5.2.3. The Service Provider must promptly update the Operational Change Management Procedures to reflect any Changes in the applicable SARS PPS&G. The Service Provider

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must submit the revised Operational Change Management Procedures to SARS for SARS' review and approval in the same manner as set forth in **clause 5.1.1** above.

5.2.4. The Operational Change Management Procedures must meet the following requirements:

5.2.4.1. the Operational Change Management Procedures must include a set of sub-processes designed to: (i) manage and control the response to planned Changes; (ii) capture the required information from service requests and implementation reports for inclusion in the CMDB; (iii) control creation and execution of plans for approved projects, including reporting on progress and issues; (iv) ensure that ownership responsibilities for resources must be properly exercised; and (v) assess the potential operational impact of Changes on SARS;

5.2.4.2. the Operational Change Management Procedures must embody the principle that Changes may only be commenced after written approval by SARS in accordance with SARS PPS&G.

5.2.4.3. the Operational Change Management Procedures must include procedures for coordinating Change activity with SARS' operational change procedures as set out in the applicable SARS PPS&G. As part of such coordination, the Service Provider must invoke SARS operational change management procedures for each Change; provide any required information, notices or updates; provide or participate in (as requested by SARS) assessments, evaluations or analyses of the proposed Change, including its Impact and Urgency; seek SARS approvals and provide for SARS reviews when mandated (for example, approvals will be required to proceed with planning a Change and subsequently to implement such Change); promptly notify SARS of status updates and any problems in implementation; and participate in post-implementation reviews or verifications. In doing so, the Service Provider will adhere to the relevant times specified in the applicable SARS PPS&G or otherwise specified by SARS;

5.2.4.4. the Operational Change Management Procedures must facilitate a high degree of coordination and communication across SARS business units and facilitate measures to minimize the business impact and risk to SARS of any change activity;

5.2.4.5. the Operational Change Management Procedures must provide processes for managing conflicts of timing, resources and priorities;

5.2.4.6. the Operational Change Management Procedures must enable the clear assignment of responsibility for individual Changes to be established and maintained throughout the change process, with regular and applicable progress updates communicated back to those affected; and

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5.2.4.7. the Operational Change Management Procedures must include an emergency change process for any Changes that must be implemented in less than the minimum scheduled change period provided for by the applicable SARS PPS&G, including for a Change that is judged by SARS as to have a material operational impact and is classified by SARS as 'urgent' and a Change needed in response to an Incident.

5.3. Processing Changes

5.3.1. Recording

The Service Provider must record or log all requests for change ("Requests for Change" or "RFC'). When an RFC is submitted in order to diagnose or resolve an Incident, Problem or Known Error, the Service Provider must also link the affected CI and the RFC to the related Incident, Problem or Known Error.

5.3.2. Acceptance

5.3.2.1. After recording the RFC, the Parties must make an initial assessment to check if such RFC is unclear, irrational, impractical or unnecessary and, if so, reject it.

5.3.2.2. The Service Provider must record on the RFC all the CIs that are related to, or impacted by, the RFC.

5.3.2.3. The Service Provider must update the change record to include the information required for further processing (e.g., implementation plan).

5.3.3. Classification

5.3.3.1. Once an RFC has been accepted, the Parties must determine the Urgency and Impact (and thereby Risk). The presumptive timing for implementing the RFC is specified by SARS PPS&G according to the Risk of the RFC. Deviations in timing may only be made with SARS' prior approval in its sole discretion.

5.3.3.2. Urgency and Impact are defined in **Appendix B-2** (Urgency and Impact Definitions).

5.3.4. Planning and Approval

5.3.4.1. All Changes must be implemented only after the Service Provider has obtained the required written approvals in accordance with the applicable SARS PPS&G. Where the Service Provider has obtained SARS' written approval for the design of a Standard Change, (a "Standard Change" is a change that is executed according to a defined and fixed set of

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process steps) the Service Provider will not be required to obtain SARS' approval for further implementations of such Standard Change provided there are no alterations to the design of the Standard Change. The other change management procedures relating to implementing a Change will apply to each implementation of a Standard Change (e.g., coordination and requirements regarding scheduling the implementation of the Change, any required testing, etc.).

5.3.4.2. The Service Provider must plan all Changes and list them on SARS' forward schedule of change (the "FSC").

5.3.4.3. The Service Provider must submit to SARS for inclusion in the FSC pertinent details of all Changes and their planned implementation dates. The Service Provider must submit the details as soon as the requirement for a change is known. The inclusion of such details on the FSC does not imply that approval has been granted for the change to be made and the Service Provider must implement the change on approval of the change by SARS.

5.3.5. **Executing Changes**

5.3.5.1. **Build Phase**

(i) Where applicable, the Service Provider must plan and execute a specific building phase for Changes. For example, if the Change involves creating a new software version, the Service Provider will, as part of performing such Change, prepare new or revised documentation, manuals, and installation procedures as well as a Back-out Plan and hardware Changes.

(ii) The Service Provider must prepare a sufficiently detailed Back-out Plan before implementing any Change that could have an adverse impact (as determined by SARS) on SARS, the Services, users or SARS clients if the Change is not successful or cannot be completed on time. Such Back-Out Plan must include:

(A) fall-back procedures if it is necessary to reverse a Change due to a failure;

(B) modification and escalation lists;

(C) Workaround plans; and

(D) risk assessments.

(iii) The Service Provider must prepare a sufficiently detailed communication plan before implementing any Change that impacts SARS End-users.

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(iv) The Service Provider must prepare a sufficiently detailed implementation plan for all Changes.

5.3.5.2. **Testing**

(i) Before implementing any Changes (or as otherwise mutually agreed in a specific instance), the Service Provider must test the Back-out Plan, Change implementation, and envisaged result of the Change. In conducting such testing, the Service Provider must give due consideration to any change criteria defined by SARS CAB

(ii) The Service Provider must not implement Changes without first conducting testing that is independent of the testing conducted by the builders of the Change. Such testing must consist of user acceptance testing for any Changes unless otherwise agreed.

(iii) Unless SARS agrees otherwise with respect to a particular Change, the Service Provider must develop for SARS' approval a test plan and acceptance criteria for each Change. The Service Provider must proactively recommend objective test criteria for approval by SARS and the determination as to whether a test was successful must be made on the basis of whether the test results met the applicable acceptance criteria for the testing effort as set out in the relevant test plan.

(iv) The Service Provider's testing obligations for Changes must include:

(A) setting-up, provisioning and equipping components of the IT infrastructure for testing; and

5.3.5.3. **Implementing**

(i) After completing the building and testing activities described in **clause 5.3.5.1** and **clause 5.3.5.2** above the Service Provider must implement the Change, after obtaining the necessary approvals to implement, in accordance with this **clause 5.3.5.3** and conduct additional testing in order to verify that the implementation of the Change was successful.

(ii) The Service Provider must implement all Changes authorised by SARS (but only those Changes authorised by SARS). The Service Provider's obligations for implementing Changes, including Changes that are incorporated into Projects

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that have been approved for implementation, must include:

(A) project managing the implementation of the Change;

(B) keeping SARS informed (through the SARS project manager) on an ongoing basis as to the status of the implementation of the Change, including providing status reports;

(C) promptly informing SARS of any necessary or suggested changes to the design of the IT infrastructure, including obtaining SARS' approval prior to implementing the Changes;

(D) mutually agreeing with SARS, in advance of commencing implementation of a Change, the applicable test requirements; and

(E) making any applicable updates to the CMDB.

5.4. Evaluation

5.4.1. The Service Provider must evaluate all Changes after they have been implemented and apprise SARS CAB of the results of its evaluation.

5.4.2. SARS CAB must decide whether any follow-up is needed, based on considerations such as whether the Change achieved the expected objective, whether users are satisfied with the result, and whether there were any side effects.

5.4.3. Upon completing the RFC, the Service Provider must mark the RFC as completed and include the results in the Post-Implementation Review or Change evaluation. The RFC may only be closed by SARS, and SARS will do so once SARS has verified that the Change was completed successfully.

5.4.4. If the Parties do not agree that the Change was successful, the Service Provider must restart the Operational Change Management Procedure where it went wrong, using an approach that (i) is modified to address the failure(s) and (ii) is approved by SARS before the Service Provider may recommence performing the Change.

5.4.5. Implementing Urgent Changes

5.4.5.1. The Service Provider must implement urgent changes in accordance with SARS PPS&G addressing emergency or urgent change procedures. Where a diversion of resources of the Service Provider would allow an urgent change to be implemented more quickly, the

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Service Provider must apprise SARS of that option, including the consequences to the Services that the redeployed resources would have performed. If SARS in its sole discretion authorizes the redeployment, the Service Provider must be excused for failing to perform Services in a timely fashion that the redeployed resources would have performed but solely to the extent of the impact advised by the Service Provider in advance and solely to the extent the Service Provider could not reasonably have performed the affected Services nonetheless using Commercially Reasonable Efforts.

5.4.5.2. The Service Provider must minimize the number of urgent Changes by ensuring where possible that Changes are requested sufficiently in advance, before they become urgent.

5.4.5.3. Where time does not permit normal tests to be performed before an urgent Change is made as agreed by SARS, as soon as possible afterwards the Service Provider must complete all the required stages of the normal testing process and must update the Change records and CMDB.

5.4.6. **Procedures for Submitting Changes**

The Service Provider must submit all Changes in accordance with the requirements set out in the SARS PPS&G.

5.4.7. **Other Operational Change Management Responsibilities**

5.4.7.1. The Service Provider must attend SARSs regularly scheduled and ad hoc meetings regarding Operational Change Management in respect of the Services called for under the SARS PPS&G.

5.4.7.2. The Service Provider's responsibilities with respect to Operational Change Management Services also include the following:

(i) controlling Changes and implementing Changes only as approved by SARS;

(ii) implementing Changes in a manner that ensures continuity;

(iii) communicating, scheduling and reviewing proposed Changes with SARS to minimise disruption of normal business processes;

(iv) collecting data on each Change attempted, including the cause of any resulting Incidents or Problems, measures taken to prevent reoccurrence, and impact on End-users;

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(v) from time to time, but no less frequently than twice per annum, the Service Provider must conduct an audit on a sample of changes made by the Service Provider over the preceding period. SARS may request copies of the audit records from the Service Provider.

(vi) providing an audit trail of each Change; and

(vii) defining the roles and responsibilities of the functional areas involved in the Operational Change Management Procedures, as well as formalising the communication process between the Parties.

5.4.7.3. Prior to using any new or replacement CI to perform the Services, the Service Provider must verify that such CI:

(i) is consistent with the then-current SARS architecture and applicable SARS Technology Standards;

(ii) has been properly installed;

(iii) is operating in accordance with its specifications; and

(iv) is performing its intended functions in a reliable manner.

5.4.8. The Service Provider must comply with SARS' release process as part of its compliance with SARS PPS&G.

5.5. Operational Change Management Outputs

The outputs of Operational Change Management Services include:

5.5.1. Operational Change Management Procedures;

5.5.2. up-to-date electronic change records in the SARS Service Management System;

5.5.3. Updates to SARS' FSC;

5.5.4. RFCs (requests for change);and

6. MANAGEMENT INFORMATION RELATING TO OPERATIONAL CHANGE MANAGEMENT SERVICES AS REQUESTED BY SARS FROM TIME TO TIME

6.1. Operational Release Management Procedures

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6.1.1. Service Provider must prepare for SARS' review and approval detailed Release Management processes and procedures for the Services no later than 60 (sixty) days after the Effective Date. Such processes and procedures must interface seamlessly with the applicable SARS PPS&G and the other SARS Service Management Processes. The Service Provider must incorporate SARS' comments on such procedures and include such revised procedures in the Process and Procedures Library promptly but no later than 30 (thirty) days after SARS has provided such comments (the "**Operational Release Management Procedures**"). The Operational Release Management Procedures must be based on the processes and procedures set forth in this **clause 6**, and, to the extent consistent with the processes and procedures set forth in this **clause 6**, the Service Provider's standard processes and procedures that it uses to perform operational Release Management services for other customers.

6.1.2. The Service Provider must follow the Operational Release Management Procedures from the date that they have been approved by SARS. Before such date, the Service Provider must follow the processes and procedures that are set forth in this **clause 5** supplemented with Service Provider's own standard processes and procedures to the extent they are not inconsistent with the SARS PPS&G or with this **clause 6**.

6.1.3. The Service Provider must promptly update the Operational Release Management Procedures to reflect any Releases in the applicable SARS PPS&G. The Service Provider must submit the revised Operational Release Management Procedures to SARS for SARS' review and approval in the same manner as set forth in **clause 5.1.1** above.

6.1.4. The Operational Release Management Procedures must meet the following requirements:

6.1.4.1. the Operational Release Management Procedures must include a set of sub-processes designed to: (i) manage and control the response to planned Releases; (ii) capture the required information from service requests and implementation reports for inclusion in the CMDB and DML; (iii) control creation and execution of plans for approved projects, including reporting on progress and issues; (iv) ensure that ownership responsibilities for resources must be properly exercised; and (v) assess the potential operational impact of Releases on SARS;

6.1.4.2. the Operational Release Management Procedures must embody the principle that Releases may only be commenced after written approval by SARS in accordance with SARS PPS&G.

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6.1.4.3. the Operational Release Management Procedures must include procedures for coordinating Release activity with SARS' operational Release procedures as set out in the applicable SARS PPS&G. As part of such coordination, the Service Provider must invoke SARS operational Release Management procedures for each Release; provide any required information, notices or updates; provide or participate in (as requested by SARS) assessments, evaluations or analyses of the proposed Release, including its Impact and Urgency; seek SARS approvals and provide for SARS reviews when mandated (for example, approvals will be required to proceed with planning a Release and subsequently to implement such Release); promptly notify SARS of status updates and any problems in implementation; and participate in post-implementation reviews or verifications. In doing so, the Service Provider will adhere to the relevant times specified in the applicable SARS PPS&G or otherwise specified by SARS;

6.1.4.4. the Operational Release Management Procedures must facilitate a high degree of coordination and communication across SARS business units and facilitate measures to minimize the business impact and risk to SARS of any Release activity;

6.1.4.5. the Operational Release Management Procedures must provide processes for managing conflicts of timing, resources and priorities;

6.1.4.6. the Operational Release Management Procedures must enable the clear assignment of responsibility for individual Releases to be established and maintained throughout the Release process, with regular and applicable progress updates communicated back to those affected; and

6.1.4.7. the Operational Release Management Procedures must include an emergency/Expedited Release process for any Releases that must be implemented in less than the minimum scheduled Release period provided for by the applicable SARS PPS&G, including for a Release that is judged by SARS as to have a material operational impact and is classified by SARS as 'urgent' and a Release needed in response to an Incident.

6.2. Processing Releases

6.2.1. Recording

The Service Provider must record or log all requests for Release ("Requests for Change" or "RFC'). When an RFC is submitted in order to diagnose or resolve an Incident, Problem or Known Error, the Service Provider must also link the affected CI and the RFC to the related Incident, Problem or Known Error.

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6.2.2. **Acceptance**

6.2.2.1. After recording the RFC, the Parties must make an initial assessment to check if such RFC is unclear, irrational, impractical or unnecessary and, if so, reject it.

6.2.2.2. The Service Provider must record on the RFC all the CIs that are related to, or impacted by, the RFC.

6.2.2.3. The Service Provider must update the Release record to include the information required for further processing (e.g., implementation plan).

6.2.3. **Classification**

6.2.3.1. Once an RFC has been accepted, the Parties must determine the Urgency and Impact (and thereby Risk). The presumptive timing for implementing the RFC is specified by SARS PPS&G according to the Risk of the RFC. Deviations in timing may only be made with SARS' prior approval in its sole discretion.

6.2.3.2. Urgency and Impact are defined in **Appendix B-2** (Urgency and Impact Definitions).

6.2.4. **Planning and Approval**

6.2.4.1. All Releases must be implemented only after the Service Provider has obtained the required written approvals in accordance with the applicable SARS PPS&G. Where the Service Provider has obtained SARS' written approval for the design of a Standard Release, (a "Standard Release" is a Release that is executed according to a defined and fixed set of process steps) the Service Provider will be required to obtain SARS' approval for further implementations of such Standard Release. The other Release Management procedures relating to implementing a Release will apply to each implementation of a Standard Release (e.g., coordination and requirements regarding scheduling the implementation of the Release, any required testing, etc.).

6.2.4.2. The Service Provider must plan all Releases and list them on SARS' forward schedule of Release (the "FSC").

6.2.4.3. The Service Provider must submit to SARS for inclusion in the FSC pertinent details of all Releases and their planned implementation dates. The Service Provider must submit the details as soon as the requirement for a Release is known. The inclusion of such details on the FSC does not imply that approval has been granted for the Release to be made and the Service Provider must implement the Release on approval of the Release by

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SARS.

6.2.5. Executing Releases

6.2.5.1. Build Phase

(i) Where applicable, the Service Provider must plan and execute a specific building phase for Releases. For example, if the Release involves creating a new software version, the Service Provider will, as part of performing such Release, prepare new or revised documentation, manuals, and installation procedures as well as a Back-out Plan ~~and hardware~~ of Releases.

(ii) The Service Provider must prepare a sufficiently detailed Back-out Plan before implementing any Release that could have an adverse impact (as determined by SARS) on SARS, the Services, users or SARS clients if the Release is not successful or cannot be completed on time. Such Back-Out Plan must include:

(A) fall-back procedures if it is necessary to reverse a Release due to a failure;

(B) modification and escalation lists;

(C) Workaround plans; and

(D) risk assessments.

(iii) The Service Provider must prepare a sufficiently detailed communication plan before implementing any Release that impacts SARS End-users.

(iv) The Service Provider must prepare a sufficiently detailed implementation plan for all Releases.

6.2.5.2. Testing

(i) Before implementing any Releases (or as otherwise mutually agreed in a specific instance), the Service Provider must test the Back-out Plan, Release implementation, and envisaged result of the Release. In conducting such testing, the Service Provider must give due consideration to any Release criteria defined by SARS CAB

(ii) The Service Provider must not implement Releases without first conducting testing that is independent of the testing conducted by the builders of the

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Release. Such testing must consist of user acceptance testing for any Releases unless otherwise agreed.

(iii) Unless SARS agrees otherwise with respect to a particular Release, the Service Provider must develop for SARS' approval a test plan and acceptance criteria for each Release. The Service Provider must proactively recommend objective test criteria for approval by SARS and the determination as to whether a test was successful must be made on the basis of whether the test results met the applicable acceptance criteria for the testing effort as set out in the relevant test plan.

(iv) The Service Provider's testing obligations for Releases must include:

(A) setting-up, provisioning and equipping components of the IT infrastructure for testing; and

6.2.5.3. **Implementing**

(i) After completing the building and testing activities described in **clause 5.3.5.1** and **clause 5.3.5.2** above the Service Provider must implement the Release, after obtaining the necessary approvals to implement, in accordance with this **clause 5.3.5.3** and conduct additional testing in order to verify that the implementation of the Release was successful.

(ii) The Service Provider must implement all Releases authorised by SARS (but only those Releases authorised by SARS). The Service Provider's obligations for implementing Releases, including Releases that are incorporated into Projects that have been approved for implementation, must include:

(A) project managing the implementation of the Release;

(B) keeping SARS informed (through the SARS project manager) on an ongoing basis as to the status of the implementation of the Release, including providing status reports;

(C) promptly informing SARS of any necessary or suggested Releases to the design of the IT infrastructure, including obtaining SARS' approval prior to implementing the Releases;

(D) mutually agreeing with SARS, in advance of commencing implementation

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of a Release, the applicable test requirements; and

(E) making any applicable updates to the CMDB and DML.

6.3. Evaluation

6.3.1. The Service Provider must evaluate all Releases after they have been implemented and apprise SARS CAB of the results of its evaluation.

6.3.2. SARS CAB must decide whether any follow-up is needed, based on considerations such as whether the Release achieved the expected objective, whether users are satisfied with the result, and whether there were any side effects.

6.3.3. Upon completing the RFC, the Service Provider must mark the RFC as completed and include the results in the Post-Implementation Review or Release evaluation. The RFC may only be closed by SARS, and SARS will do so once SARS has verified that the Release was completed successfully.

6.3.4. If the Parties do not agree that the Release was successful, the Service Provider must restart the Operational Release Management Procedure where it went wrong, using an approach that (i) is modified to address the failure(s) and (ii) is approved by SARS before the Service Provider may recommence performing the Release.

6.4. Implementing Urgent Releases

6.4.1. The Service Provider must implement urgent Releases in accordance with SARS PPS&G addressing emergency or urgent Release procedures. Where a diversion of resources of the Service Provider would allow an urgent Release to be implemented more quickly, the Service Provider must apprise SARS of that option, including the consequences to the Services that the redeployed resources would have performed. If SARS in its sole discretion authorizes the redeployment, the Service Provider must be excused for failing to perform Services in a timely fashion that the redeployed resources would have performed but solely to the extent of the impact advised by the Service Provider in advance and solely to the extent the Service Provider could not reasonably have performed the affected Services nonetheless using Commercially Reasonable Efforts.

6.4.2. The Service Provider must minimize the number of urgent Releases by ensuring where possible that Releases are requested sufficiently in advance, before they become urgent.

6.4.3. Where time does not permit normal tests to be performed before an urgent Release is made

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as agreed by SARS, as soon as possible afterwards the Service Provider must complete all the required stages of the normal testing process and must update the Release records ~~and,~~ DML and CMDB.

6.5. Procedures for Submitting Releases

The Service Provider must submit all Releases in accordance with the requirements set out in the SARS PPS&G.

6.6. Other Operational Release Management Responsibilities

6.6.1. The Service Provider must attend SARSs regularly scheduled and ad hoc meetings regarding Operational Release Management in respect of the Services called for under the SARS PPS&G.

6.6.2. The Service Provider's responsibilities with respect to Operational Release Management Services also include the following:

(i) controlling Releases and implementing Releases only as approved by SARS;

(ii) implementing Releases in a manner that ensures continuity;

(iii) communicating, scheduling and reviewing proposed Releases with SARS to minimise disruption of normal business processes;

(iv) collecting data on each Release attempted, including the cause of any resulting Incidents or Problems, measures taken to prevent reoccurrence, and impact on End-users;

(v) from time to time, but no less frequently than twice per annum, the Service Provider must conduct an audit on a sample of Releases made by the Service Provider over the preceding period. SARS may request copies of the audit records from the Service Provider.

(vi) providing an audit trail of each Release; and

(vii) defining the roles and responsibilities of the functional areas involved in the Operational Release Management Procedures, as well as formalising the communication process between the Parties.

6.6.3. Prior to using any new or replacement CI to perform the Services, the Service Provider must verify that such CI:

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(i) is consistent with the then-current SARS architecture and applicable SARS Technology Standards;

(ii) has been properly installed;

(iii) is operating in accordance with its specifications; and

(iv) is performing its intended functions in a reliable manner.

6.6.4. The Service Provider must comply with SARS' release process as part of its compliance with SARS PPS&G.

6.7. Operational Release Management Outputs

The outputs of Operational Release Management Services include:

6.7.1. Operational Release Management Procedures;

6.7.2. up-to-date electronic Release records in the SARS Service Management System;

6.7.3. Updates to SARS' FSC;

6.7.4. RFCs (requests for Change);and

6.7.5. management information relating to Operational Release Management Services as requested by SARS from time to time.

7. BREAK-FIX SERVICES

7.1. Overview

7.1.1. The Break-fix services consist of a set of interrelated services which the Service Provider is required to provide in respect of a Device (a "**Device**" is defined to be an item of Supported Hardware and Operating System (OS) and/or the instance of Supported Software running on the item of Supported Hardware). The set of services making up the Break-fix services that the Service Provider is required to perform in respect of a Device is dependent on the categorisation of the Device (e.g. In-warranty, Out-of-warranty, Swap-out or Service-only). In addition to affecting the Break-fix services that are applicable in respect of a Device, the categorisation of a Device also determines Performance Standards and Charges applicable to such Device.

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7.1.2. The scope and categorisations of Supported Hardware and Supported Software are defined in the **Appendix B-S-13** (Server Support Services Supported Hardware); **Appendix B-S-14** (Server Support Services Supported Software);).

7.1.3. For clarity, a summary of the scope of the applicable Break-fix services, Charges, and Service Levels applicable to Devices are set out in **Appendix B-S-11** (Server Support Services Flowcharts); which must be adhered to in addition to any provisions set out in this **clause 7**.

7.1.4. The Service Provider will provide Break-fix services in respect of all items of Devices so as to meet or exceed the applicable Performance Standards.

7.1.5. Until it is determined that an Incident affecting a Device is outside the Service Provider's scope of responsibility, the Service Provider will perform the Break-fix services set out in this **clause 7** so as to enable the Supported Environment to continue working with a fully functioning Device. In the event that it is determined that an Incident affecting a Device is outside the Service Provider's scope of responsibility, the Service Provider will stop work and immediately inform SARS' Incident Management team.

7.2. Diagnosis

In accordance with **Appendix B-S-11** (Server Support Services Flowcharts, Service Provider shall, as part of Break-fix services, diagnose the Problems underlying Incidents affecting Devices, including by means of questioning the SARS technical staff and consulting applicable documentation and expertise, and performing diagnostic testing ("**Diagnosis"**).

7.3. Onsite repair

The Service Provider shall, as part of Break-fix services, attempt to repair a Device that is malfunctioning. In the first instance, the Service Provider must attempt to perform such repair where the Device is located. The Service Provider may perform such repair by identifying a malfunctioning component of the malfunctioning Device and replacing such components with a Part, provided that the requirements of **clause 7.8** below are satisfied. In such event, title of the Part will transfer to SARS in accordance with **clause 7.8.3** unless **clause 7.4.7** below applies.

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7.4. Removal and Off-site Repair

In the event that the Service Provider is unable to successfully repair a Device where the Device is located, on approval by SARS, the Service Provider will remove the malfunctioning Device (or those components requiring off-site repair) from SARS' premises ("**Removal**") in accordance with the following process:

7.4.1. If the category of the Device determines that a Swap-out service is applicable, the Service Provider must remove the malfunctioning Device, install a fully functional Swap-out Device to enable the Supported Environment to continue working and return the malfunctioning Device to a location designated by SARS in Gauteng, unless otherwise specified by SARS.

7.4.2. If the category of the Device determines that a Swap-out service is not applicable, then:

7.4.2.1. if the category of the Device determines that a Whole Unit Spare service is applicable, the Service Provider must, prior to removal of the malfunctioning device, install a fully functional Device to enable the Supported Environment to continue working; and /or

7.4.2.2. if the category of the Device determines that an in-warranty or out-of-warranty service is applicable, the Service Provider must move the malfunctioning Device to an offsite facility or, if so, approved by SARS, to an area at a SARS site designated for repair work to be performed.

7.4.3. If the category of the Device determines that an in-warranty is applicable, then, and at no additional charge to SARS:

7.4.3.1. If the Device is under manufacturer or third-party warranty:

(i) if the Device can be repaired under the conditions of the warranty, the Service Provider must repair, or facilitate the repair of, the device under the conditions of the warranty; or

(ii) If the Device cannot be repaired, a replacement Device must be supplied under the conditions of the warranty. The Service Provider must supply a full report to SARS of the details of the Device removed and of the replacement Device, including make, model, serial number and SARS barcode and any other information required by SARS to reflect the replacement in SARS financial asset register. In addition, the Service Provider must make all necessary updates to the CMDB to reflect the replacement of the Device.

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7.4.4. If the category of the Device determines that an out-of-warranty service is applicable, then, and at no additional charge to SARS the Service Provider must repair the device, unless determined by the Service Provider to be UTR.

7.4.5. If the category of the Device determines that Service-only service is applicable, the Service Provider must remove the malfunctioning Device to off-site facilities or, if so, approved by SARS, to an area at a SARS site designated for repair work to be performed:

7.4.5.1. Obtain and submit a quote for the repair, either by the Service Provider or by a Third Party nominated by SARS or a Third-Party repairer of the Service Provider's choice in the event no Third-Party repairer has been nominated by SARS and submit such quote to SARS for approval. If the Service Provider elects to quote for the repair of Device by the Service Provider itself, then the amount quoted must be on a Time and Materials Basis for the time that it takes the Service Provider's technician(s) at the Service Provider's facilities to repair the Device without any margin, administrative fee, shipping or handling charge, or any other mark-up fee.

7.4.5.2. On receipt of a purchase order from SARS, the Service Provider must affect the repair, either itself or by a repair services provider authorised by the Device manufacturer. In either event the Service Provider must fully manage the repair process.

7.4.5.3. If the quote is not approved by SARS the malfunctioning Device must be returned by the Service Provider to a location designated by SARS in Gauteng, unless otherwise specified by SARS.

7.4.6. If the malfunctioning item is a Device that SARS has accepted is UTR, the Service Provider will return the malfunctioning item to SARS and, upon obtaining authorisation from the SARS representative responsible for infrastructure or his or her designee, replace it with a Whole Unit Spare, in which case all right, title, and interest, as between the Parties, will remain in the Service Provider and the provisions of **clause 7.6** below will apply.

7.4.7. Notwithstanding the foregoing, in the event that the malfunctioning item is a component of a Device and such component is under warranty, the Service Provider may elect to replace the malfunctioning component with a loaned Part from the Service Provider's stock. In such event, the following rules will apply:

7.4.7.1. the rules set out in **clause 7.8** below;

7.4.7.2. all rights, title, and interest, as between the Parties, in the loaned Part will remain with the Service Provider;

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7.4.7.3. swapping a Part in accordance with this **clause 7.4.7** for a component of a Device that is malfunctioning suffices to render the Device functional for purposes of the Service Levels (and thus, if done within the required timeframe, will satisfy such Service Level), provided, however, that, without limiting the Service Provider's obligations under such Service Level, the Service Provider will replace the Part with a repaired original component within 30 (thirty) days after installing it. Notwithstanding the foregoing, the Service Provider will be excused from such deadline if (a) it used Commercially Reasonable Efforts to cause the OEM to repair the Device within such time frame and the OEM failed to do so and (b) it notified SARS at least five (5) days in advance of such deadline that it would likely fail to meet such deadline.

7.4.8. Unless the Device is categorised as a Service-only Device, the Service Provider will provide all Break-fix services to restore the Supported Environment to full functionality according to the Performance Standards and at no additional Charge. In respect of Service-only devices, SARS will only be liable for Charges in respect of quotations that have been accepted by an authorised signatory of SARS.

7.5. Swap-out Services

7.5.1. For categories of Devices that specify that a Swap-out service is applicable, the Service Provider must keep and maintain pools of whole unit replacements for purpose of being used as permanent replacements for malfunctioning Devices ("**Swap-out Devices**"). Devices being kept for Swap-out purposes are provided by SARS to the Service Provider to be used as Swap-out Devices ("**SARS-provided Swap-out Devices**"). SARS-provided Swap-out Devices will at all times remain the property of SARS.

7.5.2. For categories of Devices that specify that a SARS-provided Swap-out service is applicable, the Service Provider will manage pools of Swap-out Devices provided by SARS for swap-out in locations determined in the Service Provider's discretion to be necessary in order to Resolve an Incident in accordance with the applicable Performance Standards. SARS will provide the Service Provider, in SARS' discretion, with sufficient SARS-provided Swap-out Devices, to meet the Performance Standards. In the event of the Service Provider not meeting the Performance Standards, including the Service Levels, attaching to applicable Devices due, in the Service Provider's opinion, to insufficient quantities of SARS-provided Swap-out Devices, the Service Provider may claim relief under the conditions of Excused Performance and provided that the Service Provider had given SARS adequate notice and reason the quantities of SARS-provided Swap-out Devices being insufficient.

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7.5.3. Providing secure storage for Swap-out Devices will be the sole and exclusive responsibility of the Service Provider.

7.5.4. Where the category of Device specifies that a Swap-out service is applicable, the Service Provider must replace malfunctioning Devices with the corresponding Swap-out Device. It will be for the Service Provider to determine from time to time how many Swap-out Devices to stock and where to do so, and the conditions under which to swap Device with a Swap-out Device in order to meet the applicable Performance Standards. The Service Provider's determinations in this regard will not relieve it in any event of its obligation to meet or exceed the applicable Performance Standards.

7.5.5. Where the Service Provider determines to swap a malfunctioning Device with a Swap-out Device, the Service Provider will ensure that each Swap-out Device it provides:

7.5.5.1. is a Device on the then-current SARS list of Supported Hardware;

7.5.5.2. is comparable with the Device being replaced and meets SARS' requirements to the same extent as the replaced Device did, including any compatibility requirements;

7.5.5.3. is operating correctly and fully functional in the Supported Environment, to all intents and purposes, a seamless replacement for the malfunctioning Device.

7.5.6. The Service Provider will configure the Swap-out Device so that it operates with no functional difference to the replaced item, including loading the applicable Supported Software image (which will be provided by SARS or, if SARS does not provide an image, then the Service Provider will load SARS-approved operating system) and same configurations as were on the replaced item.

7.5.7. The Service Provider will use Commercially Reasonable Efforts to identify any data stored locally on a malfunctioning Device and, if necessary, assist in saving such data to an area of shared storage before proceeding with the swap-out.

7.5.8. The Service Provider must return the malfunctioning Device to a location designated by SARS in Gauteng, unless otherwise specified by SARS.

7.5.9. The Service Provider must promptly and properly update the CMDB to reflect the swap-out activity, including introducing a Swap-out Device as a new CI; updating CI locations and relationships attaching to the newly introduced Device and the malfunctioning Device.

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7.6. Whole Unit Spares

7.6.1. Devices that are kept and maintained for the sole purpose of being used as replacements for malfunctioning Devices on a temporary basis are defined to be “Whole Unit Spares”. Whole Unit Spares may either be the property of the Service Provider (“**Service Provider-provided Whole Unit Spares**”) or Whole Unit Spares that are provided by SARS, to the Service Provider to be used as Whole Unit Spares and which will remain the property of SARS (“**SARS-provided Whole Unit Spares**”).

7.6.2. For categories of Devices that specify that a Service Provider-provided Whole Unit Spare service is applicable, the Service Provider will at its own expense maintain, and manage pools of whole units of Devices for use as loaners in amounts and locations determined in the Service Provider’s sole discretion to be necessary in order to Resolve Incidents in accordance with the applicable Performance Standards.

7.6.3. For categories of Devices that specify that a SARS-provided Whole Unit Spare service is applicable, the Service Provider will maintain, and manage pools of whole units of Devices provided by SARS for use as loaners (“Whole Unit Spares”) in locations determined in the Service Provider’s sole discretion to be necessary in order to resolve Incidents in accordance with the applicable Performance Standards. SARS will provide the Service Provider, in SARS’ discretion, with sufficient SARS-provided Whole Unit Spares, to meet the Performance Standards. In the event of the Service Provider not meeting the Performance Standards, including the Service Levels, attaching to applicable Devices due, in the Service Provider’s opinion, to insufficient quantities of SARS-provided Whole Unit Spares, the Service Provider may claim relief under the conditions of Excused Performance and provided that the Service Provider had given SARS adequate notice and reason the quantities of SARS-provided Whole Unit Spares being insufficient. On a monthly basis, the Service Provider must supply SARS with full details, as required by SARS, of the pools of Whole Unit Spares provided by SARS, including the location of each Device, details of Devices deployed as Whole Unit Spares and of those returned to the pool.

7.6.4. Providing secure storage for Whole Unit Spares will be the sole and exclusive responsibility of the Service Provider.

7.6.5. Where the category of Device specifies that a Whole Unit Spare is applicable (either Service Provider-provided or SARS-provided), the Service Provider must replace malfunctioning Devices with the corresponding Whole Unit Spare if it is necessary, in the Service Provider’s judgment, for the Service Provider to meet all applicable Performance Standards by doing

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so. It will be for the Service Provider to determine from time to time how many Whole Unit Spares to stock and where to do so, and the conditions under which to swap an item of Supported End-user Devices with a Whole Unit Spare in order to meet the applicable Performance Standards. The Service Provider's determinations in this regard will not relieve it in any event of its obligation to meet or exceed the applicable Performance Standards.

7.6.6. Swapping a Whole Unit Spare in accordance with this **clause 7.6** for a Device that is malfunctioning suffices to render the Device available for the purpose of meeting Performance Standards and calculating Service Levels, provided, however, that, without limiting the Service Provider's obligations under such Service Level, the Service Provider will replace the Whole Unit Spare with a repaired original whole unit or a replacement unit within 60 (sixty) days. Notwithstanding the foregoing, the Service Provider will be excused from such deadline if (a) it used Commercially Reasonable Efforts to repair the Device within such time frame including causing Third Parties to effect the repair and failed to do so and (b) it notified SARS at least 10 (ten) days in advance of such deadline that it would likely fail to meet such deadline.

7.6.7. Where the Service Provider determines to swap a malfunctioning Device with a Whole Unit Spare, the Service Provider will ensue that each Whole Unit Spare it provides:

7.6.7.1. is a Device on the then-current SARS list of Supported Hardware;

7.6.7.2. is comparable with the Device being replaced and meets SARS' requirements to the same extent as the replaced Device did, including any compatibility requirements;

7.6.7.3. if the Whole Unit Spare is provided by the Service Provider, that the Whole Unit Spare is prominently marked as the Service Provider's property and is properly barcoded as external equipment.

7.6.7.4. is operating correctly and fully functional in the Supported Environment, to all intents and purposes, a seamless replacement for the malfunctioning Device.

7.6.8. When the Service Provider swaps a printer with a Whole Unit Spare, it will provide SARS with a drum kit and sufficient ink and toner for the Whole Unit Spare to last until the return of the original printer.

7.6.9. The Service Provider will configure Whole Unit Spares so that they operate with no functional difference to the replaced item, including loading the applicable Supported Software image (which will be provided by SARS or, if SARS does not provide an image, then the Service Provider will load the SARS-approved operating system) and the same configurations as

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were on the replaced item (including IP address, workstation name, mainframe printing configuration, mappings and local Outlook End-user data files (e.g., .pst)).

7.6.10. The Service Provider will use Commercially Reasonable Efforts to identify any data stored locally on a malfunctioning Device and, if necessary, assist in saving such data to an area of shared storage before proceeding with the swap-out.

7.6.11. Notwithstanding **clause 7.6.6** above, the use of the Whole Unit Spare will be treated as a temporary resolution of the Incident only and will not Resolve the Incident for purposes of the Incident Management Procedures. Accordingly, the Service Provider shall, as soon as reasonably practicable, but in no event more than sixty (60) days after the occurrence of the Incident, either:

7.6.11.1. Resolve the fault with the malfunctioning Device through Off-site Repair and, following Resolution, unless otherwise agreed by SARS, replace the Whole Unit Spare with such repaired original Device, including testing the original Devices, restoring or updating any data or configurations, and ensuring that such original Device is operating correctly; or

7.6.11.2. if such Device is determined by the relevant OEM or a warranty or repair services provider authorised by the relevant OEM to be 'Uneconomic To Repair', i.e., the cost under the applicable maintenance agreement to repair the unit would exceed sixty percent (60%) of the cost to SARS (through its procurement process) of replacing the unit, obtain a letter from the OEM or authorised provider stating so and deliver it to SARS. To be effective, a UTR letter may only be rendered by the relevant OEM or a warranty or repair provider authorised by such OEM. It will then be in SARS' sole discretion to procure a replacement for such Device. Obtaining such a letter is included in the base charge for Break-fix services.

7.6.12. Before returning a Whole Unit Spare that has been deployed to the Whole Unit Spare pool, the Service Provider shall:

7.6.12.1. confirm with the relevant SARS user whether there is any data on the Whole Unit Spare which should be retained and if so, remove and provide such data to SARS in electronic format through backup to SARS' designated shared storage or restore it to the original, repaired Devices; and

7.6.12.2. cleanse the Whole Unit Spare of any data in accordance with the applicable SARS PPS&G.

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7.6.13. the Service Provider will promptly and properly update the CMDB to reflect the Whole Unit Spare replacement, including introducing the Whole Unit Spare Device as a new CI; updating CI locations and relationships attaching to the newly introduced Device and the malfunctioning Device and maintain the status of the malfunctioning Device in the CMDB. The Service Provider will update the CMDB status of the Whole Unit Spare to reflect that it has been swapped for the repaired original Device.

7.7. Uneconomical to repair (UTR)

7.7.1. If a Device is determined by the relevant OEM or a repair service provider authorised by the relevant OEM to be "**Uneconomic To Repair**" or "**UTR**" i.e., the cost under the applicable maintenance agreement to repair the unit would exceed sixty percent (60%) of the cost to SARS (through the SARS procurement process) of replacing the unit, the Service Provider must obtain a quote or a letter from the OEM or authorised provider evidencing such and provide it to SARS. To be effective, a UTR letter may only be rendered by the relevant OEM or a repair provider authorised by such OEM. It will then be in SARS' sole discretion to procure a replacement for such a Device. Obtaining such a letter is included in the monthly charge for Break-fix services.

7.7.2. A detailed definition of the UTR process will be included in the Process and Procedures Library, which will be proposed by SARS and approved by the Service Provider (not to be unreasonably withheld).

7.7.3. If the category of the Device determines that a Whole Unit Spare is applicable, the Service Provider's obligation to continue furnishing a Whole Unit Spare will continue until the original Device is repaired and redeployed or, if a UTR determination letter is obtained and accepted by SARS, until the earlier of (a) the deployment of a permanent replacement for the malfunctioning Device (if SARS elects in its sole discretion to procure one) or (b) sixty (60) days following SARS' receipt of such UTR notice. The Service Provider will install the replacement Device as an IMACD.

7.7.4. If SARS does not accept a UTR determination letter, the dispute will be resolved in accordance with the dispute resolution procedures set forth in **clause 27** of the **Main Agreement**.

7.7.5. If, notwithstanding a UTR determination letter and regardless of whether SARS disputes such letter, SARS may in its sole discretion elect to have the Service Provider repair the malfunctioning Device as if it was on a Service-only basis. In such event, SARS will pay the Service Provider the difference between the amount quoted for the repair and an amount

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equal to sixty percent (60%) of the cost to SARS (through its procurement process) of replacing the unit. Such quote may either be provided by the Service Provider or by a Third Party nominated by SARS or a Third-Party repairer of the Service Provider's choice in the event no Third-Party repairer has been nominated by SARS. It will be at SARS' discretion which quote, if any, to accept. Regardless of SARS' decision regarding which quote to accept the Service Provider will facilitate and manage the repair at no extra charge. If the Service Provider elects to quote for the repair of the Device by the Service Provider itself, then the amount quoted must be on a Time and Materials Basis for the time that it takes the Service Provider's technician(s) at the Service Provider's facilities to repair the Device without any margin, administrative fee, shipping or handling charge, or any other mark-up fee.

7.7.6. In the event SARS elects to replace the malfunctioning UTR device, the Service Provider will return the malfunctioning device to a location designated by SARS in Gauteng, unless otherwise specified by SARS.

7.8. Parts

7.8.1. As part of the Break-fix services and at no additional charge to SARS, the Service Provider will obtain at its expense, maintain, and manage pools of replacement components for malfunctioning components of Devices ("Parts") in amounts and locations determined in the Service Provider's sole discretion to be necessary in order to resolve Incidents and Problems in accordance with the applicable Performance Standards.

7.8.2. The Service Provider will use Parts that were manufactured by the same manufacturer as the original part (except where, and to the extent, otherwise agreed in writing by SARS in its sole discretion) and that comply with SARS' PPS&G. Parts may either be new, remanufactured or refurbished, in the Service Provider's reasonable discretion; provided, however, that the Service Provider's determination in this regard will not relieve the Service Provider of its obligation to render the Break-fix services in accordance with the applicable Performance Standards and the Service Provider will not act in a way that may void any warranty attaching to a Device.

7.8.3. Except as otherwise provided in **clause 7.4.7** above upon a Part being installed in response to an Incident or Problem, or otherwise as part of the Services, all rights, title, and interest in such Parts will transfer to SARS without any further action required on the part of either Party and free of any liens or other encumbrances.

7.8.4. The Service Provider will ensure that the correct quantities and distribution of Parts established and maintained to support the changing inventory of Devices. Parts held by the

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Service Provider in the Parts pool will be pre-built for deployment to the Supported Environment.

7.8.5. Any Parts installed by the Service Provider must not void the OEM's warranty and must be configured for the particular Devices in which they are installed.

7.9. Reinstall

After repairing a Device or causing such Device to be repaired, as well as after replacing such Device with a new Device, Swap-out Device or Whole Unit Spare, the Service Provider will install such repaired or new Device in accordance with the terms of **clause 8** below. Notwithstanding the foregoing, such installation will be called a "Reinstall" rather than an "Install" and it will neither be categorised as an IMACD nor attract IMACD charges, provided, however, that the installation of a replacement for a malfunctioning Device that was UTR will be performed in accordance with Install procedures and will be categorised as an IMACD, but will not attract IMACD charges.

7.10. Charges for Break-fix Services

Appendix B-S-13 (Server Support Services Supported Hardware); **Appendix B-S-14** (Server Support Services Supported Software); **Appendix B-S-11** (Server Support Services Flowcharts summarise the specific Break-fix services that are included in the base charges for Devices.

7.11. Break-fix Services related to unsupported ICT-related hardware or software

At SARS request, the Service Provider must perform Break-fix services on any item of ICT or ICT-related hardware or software not falling into a category of Supported Hardware or Supported Software on the following basis:

On request by SARS, the Service Provider must supply SARS with a quote for all services, including diagnosis, transport, travel, effort and Third-Party costs, repair costs on a Time and Materials basis for SARS' consideration. Upon acceptance of the quotation, the Service Provider must perform the Break-fix service as quoted. For clarity, no Service Levels or Service Level Credits will be applicable to the performance of Break-fix services on any item of ICT or ICT-related hardware or software not falling into a category of Supported Hardware or Supported Software unless specifically agreed.

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7.12. Prohibition on Re-use of Components

Under no circumstances may the Service Provider remove components from any item of Supported Hardware for use in other items of Supported Hardware without SARS' prior written approval (which it may withhold in its sole discretion).

8. IMACDS

The Service Provider must perform IMACDs in accordance with this **clause 8** and in accordance with the processes and procedures set forth or referred to herein and in a manner that interfaces seamlessly and non-disruptively with SARS PPS&G for IMACD management (collectively, "**IMACDs**").

8.1. General

8.1.1. Documenting IMACD Processes

No later than 60 (sixty) days after the Effective Date, the Service Provider must document the processes for requesting IMACDs and submit such processes to SARS for SARS' review and approval. Once approved, the IMACD processes must form part of the Process and Procedures Library.

8.1.2. Operational Change Management Procedures

The Service Provider must carry out IMACDs in accordance with the Operational Change Management Procedures.

8.1.3. Hours for IMACD Requests

Requests for IMACDs placed out of business hours will be deemed to have been placed at the start of the following business day.

8.1.4. Tracking Progress of IMACD Requests

The Service Provider must track the progress of all IMACD requests and must report on the status of IMACDs as part of its reporting obligations pursuant to **Schedule E** (Governance) and **Appendix B-** of **Schedule B.**

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8.1.5. **IMACD completion time**

For each IMACD request, the Service Provider must complete the IMACD within the applicable time period specified in **Schedule C** (Service Levels).

8.1.6. **Compliance to standards**

As part of the execution of each IMACD, the Service Provider must verify that the Device(s) that are the subject(s) of the IMACD, including those executed as part of IMACD Projects, comply with SARS' standards for Supported Hardware and Supported Software. Any aspect of non-compliance must be reported to SARS.

8.1.7. **Software licensing**

If the performance of any IMACD by the Service Provider may affect SARS' software licensing position in any way, including the deployment of a Device with a standard software image supplied by SARS, the Service Provider must obtain permission from the SARS DML prior to executing the IMACD.

8.2. Executing IMACDs

The Service Provider must be responsible for planning, managing, performing and testing IMACDs in accordance with the requirements specified by SARS. The Service Provider's specific responsibilities with respect to IMACDs must include the following:

8.2.1. as part of planning an IMACD, the Service Provider must manage, stage, and prepare the items of Supported Hardware and Supported Software that are the subject of the IMACD order in consultation with SARS and validate the correctness and proper authorisation for such order.

8.2.2. the Service Provider must coordinate site preparation with respect to IMACDs;

8.2.3. the Service Provider must establish a Back-out Plan (other than in circumstances in which SARS agrees that such a plan is not necessary) so as to be able to undo IMACDs and restore the Supported Hardware and Supported Software to its configuration prior to performing the Install, Move, Add and Change in the event of unsuccessful testing;

8.2.4. if the IMACD would be likely to have any impact on physical space, power, HVAC or other environmental or facilities issues, the Service Provider must coordinate the IMACD with the applicable SARS Personnel;

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8.2.5. the Service Provider must coordinate an IMACD from initiation to completion, including serving as a single point of contact, coordinating with SARS and Third-Party Suppliers to achieve high quality execution of such IMACD. As a part of the foregoing the Service Provider must, if requested by SARS, perform a site inspection and then prepare the technical infrastructure at such sites for the IMACD;

8.2.6. IMACDs, as reasonably directed by SARS, must be performed at any time during the Service Coverage Period that is applicable to the device that is the subject of the IMACD services. No additional charges may be levied by the Service Provider for IMACDs performed outside the Service Coverage Period designated for a device, unless SARS has requested and accepted a quote, in writing, from the Service Provider;

8.2.7. The Service Provider will continue to work on urgent or high profile IMACD events outside the Service Coverage Period unless otherwise agreed in a specific instance by SARS;

8.2.8. The Service Provider must provide post-IMACD support except where otherwise agreed by SARS. Where requested by SARS, this must be provided on-site (either on a Time and Materials Basis or as part of an agreed adjustment to the applicable IMACD Service Charge). In the event an IMACD is concluded outside of business hours, such post-IMACD support must begin at the start of the relevant Service Coverage Period for the device that is the subject of the IMACD. The Service Provider is responsible for Incident Management in any event, and SARS must be credited for any time spent to diagnose or Resolve Incidents by the Service Provider Personnel who are on-site at SARS' request;

8.2.9. The Service Provider must perform any IMACD-related intra-campus hardware movement. The Service Provider must prepare items for shipment and coordinate the transportation of IMACD-related inter-campus hardware movement, including packing such hardware;

8.2.10. in the case of an IMACD related to Supported Hardware, the Service Provider must de-install and remove any existing hardware, Software or both as necessary to execute the IMACD;

8.2.11. the Service Provider must reload and, as necessary, convert data and making configuration changes where necessary as part of the IMACD;

8.2.12. the Service Provider must uninstall all Software from decommissioned hardware and inform the SARS DML of the details of the Software so uninstalled;

8.2.13. the Service Provider must attach new, or validate existing, barcodes; update the CMDB; and notify SARS of the need to update the SARS Service Management System to take account of the IMACD;

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8.2.14. with respect to IMACDs related to Supported Hardware, the Service Provider must act in accordance with instructions from SARS with respect to physical space restrictions;

8.2.15. with respect to any IMACD involving the transport of equipment, the Service Provider must ensure that it has obtained and is in possession of the required SARS authorisations to move equipment and that the movement of equipment is made in accordance with SARS procedures as may be determined by SARS from time to time;

8.2.16. with respect to any IMACD affecting a Device that must be connected to SARS network in order to operate properly, the Service Provider must confirm that the Device is connected to SARS network and that the Device can be controlled over SARS network from SARS Brooklyn Head Office;

8.2.17. the Service Provider must agree in advance on objective and demonstrable criteria designed to verify that all applicable features and functions are tested and fully operable, and testing to verify that such criteria have been met; and

8.2.18. as part of a Decommissioning, coordinate and manage the shipment of the Decommissioned Device to a location designated by SARS in Gauteng, unless otherwise specified by SARS (using the shipper, if any is required, designated by SARS from time to time).

8.2.19. An IMACD must not be deemed completed until the Service Provider has notified SARS that such IMACD has successfully passed such applicable tests (acknowledging other requirements must be met as well in order for an IMACD to be completed (including End-user or other SARS sign off)).

8.3. Staging

8.3.1. Upon receipt of a request for an IMACD Service Provider shall:

8.3.1.1. if an existing Device requires data to be backed up prior to performing an Install Add or Change, take reasonable steps to identify any data stored locally on the Device and either verify that SARS has saved such data on a secure data storage location or, if necessary, assist SARS to save such data on a secure data storage location, except, in either case, only where not possible because of a hardware failure, before proceeding with the IMACD;

8.3.1.2. confirm scheduling of scheduled activities with relevant End-users.

8.3.1.3. verify that all contents of the delivery are included according to delivery note, and, if not correct, coordinate with SARS and the applicable Third-Party Supplier and replacement

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of the incorrect Device, and arrange the return of such Device;

8.3.1.4. test Device for 'dead on arrival' status prior to deployment to the requested location in connection with an Install, Add or Change, coordinate with SARS and the applicable Third-Party Supplier the return and replacement of any 'dead on arrival' Device, and arrange the return of such Device;

8.3.1.5. escalate any performance or supply issues with Third Party Suppliers to SARS in accordance with the escalation paths defined by SARS; and

8.3.1.6. in the case of an Install, Add or IMACD Change, ensure that the Supported Software associated with the item of Devices has been correctly installed and is correctly operating such that SARS can control the Device over SARS network from SARS Head Office and the Device can access, operate and interact with its locally attached devices.

8.3.2. In the event that Service Provider fails to perform its obligations correctly under **clause 8.3.1.3** or **clause 8.3.1.4** above, SARS will not be charged for any further IMACDs or remediation efforts.

8.4. Install

Service Provider will perform Installs of Devices in accordance the following:

8.4.1. Prior to installation, Service Provider will carry out all necessary pre-work, including:

8.4.1.1. performing the staging activities described in **clause 8.3** above; and

8.4.1.2. confirming that all Devices, components, network, cabling, power or any other services necessary to execute the installation will be available as of the date(s) scheduled for the Install.

8.4.2. As part of installing the Devices, Service Provider shall:

8.4.2.1. provide the necessary technical support to complete the Install, including onsite support as necessary;

8.4.2.2. request the latest Supported Software image from SARS, including the latest patches and interim patches, and install such image and patches on the Device (or, if SARS does not provide an image, load the applicable SARS-approved Supported Software including any patches designated by SARS);

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8.4.2.3. install the Device and associated Supported Software; In such regard, an installation of Supported Software will be considered successful if the Software is installed on Device and launches successfully so as to indicate that its features and functionality are fully operational;

8.4.2.4. de-install and re-install any existing (i) Devices, or (ii) Software necessary to de-install or re-install any such Devices, drivers or Supported Software or (iii) other related items or services as necessary to execute the Install;

8.4.2.5. connect the Devices to the SARS networks;

8.4.2.6. if the Install is of a SARS contractor's Device, check such Device against criteria specified by SARS before connecting it to the Network;

8.4.2.7. re-load data or backup files as necessary;

8.4.2.8. configure the Device as necessary so that network services and all peripherals operate correctly, including attaching the Device to appropriate network resources such as printers and confirming that shared drive mappings are operating correctly;

8.4.2.9. confirm that SARS-specified critical updates have been loaded on the Device, and if not, install or coordinate the installation of such updates;

8.4.2.10. transport Device that is being installed to the location specified by SARS, and remove to the relevant staging area any Device that is being replaced (and either redeployed, recycled or disposed); and

8.4.2.11. remove packing materials to SARS designated removal area.

8.4.3. In the cases that the Device is pre-built by a Third-Party Supplier, including installing the image of Supported Software, the Service Provider is responsible for verifying that the installed image is correct and, in the event that such image is incorrect or absent, the Service Provider will be responsible for installing the correct image.

8.4.4. An Install will be deemed completed once:

8.4.4.1. Service Provider has notified SARS that such Install has successfully passed applicable acceptance testing procedures;

8.4.4.2. the nominated SARS representative, or End-user, has provided acceptance and sign-off; and

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8.4.4.3. the Service Provider has updated the CMDB and notified SARS of the need to update the SARS Service Management System.

8.5. Moves

The Service Provider will perform the physical relocation of a Device as requested by SARS ("**Move**") in accordance with the following:

8.5.1. The Service Provider will perform the applicable staging activities described in **clause 8.3** above.

8.5.2. SARS will be responsible for the overall co-ordination and management of Moves. However, the Service Provider will comply with its obligations specified in this **clause 8** of **Schedule B** (Service Management Services SOW) (including coordinating with the SARS Support Group regarding cabling, wiring, power and network services);

8.5.3. If necessary, and/or requested by SARS, the Service Provider will perform a physical site survey to ensure the Service Provider can implement the Move of the Device from the current location of the Device to the destination location, to confirm:

8.5.3.1. which Device will be Moved;

8.5.3.2. the arrangement of such Device at its current location; and

8.5.3.3. that the location where the Device is being moved to is ready, including the physical availability of necessary space, voice and data ports, power and any other required facilities (having regard to the requirements of the Device and any other hardware that will be used at the new location).

8.5.4. The Service Provider will request and co-ordinate with the relevant SARS Support Groups to remedy any issues identified through the site survey or otherwise, including in respect of network or power requirements.

8.5.5. In the case of a Server move, the Service Provider will enquire of SARS whether SARS-provided security will be required, and, in the event, it is required, will co-ordinate the Move with such security arrangements as SARS provides.

8.5.6. The Service Provider will ensure that it is in possession of all necessary asset removal authorisations as may be required by SARS to perform the Move.

8.5.7. The Service Provider will prepare the Device for the Move and perform the Move. In such

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regard the Service Provider's responsibilities will include the following:

8.5.7.1. shut down and disconnect the Device;

8.5.7.2. appropriately package the Device that is being Moved using static-free packaging;

8.5.7.3. if the Device is being Moved within the same building, then the Service Provider will physically move the Device without charge for shipping;

8.5.7.4. if the Device is being Moved between buildings, then:

(i) the Service Provider will physically move the Device, either directly or through a Third Party who has been approved by SARS. The Service Provider will bear the risk of loss of the Device in connection with such Move;

(ii) SARS shall reimburse the Service Provider, subject to SARS' prior approval and issue of a purchase order, for reasonable Third Party shipping costs incurred by the Service Provider as part of a Move on a Pass Through Expense basis if the physical nature (for example: weight or size) of the item of Supported Hardware is such that capabilities beyond those that could be reasonably expected of the Service Provider are required to effect the Move;

(iii) If requested by SARS, the Service Provider will Cleanse the Device before physically moving it between buildings; and

(iv) The Service Provider will physically move the Device to and from the staging areas within the buildings.

8.5.7.5. unpack the Device at the new location;

8.5.7.6. plug-in, connect, and fit all components;

8.5.7.7. connect the Device to the Networks;

8.5.7.8. test the Device to verify that it can be controlled over the SARS network from SARS Brooklyn Head Office and test that all peripherals are operating correctly;

8.5.7.9. remedy any faults identified during the Move or tests with the Device;

8.5.7.10. attach new or validate existing barcodes for the Devices and update the CMDB;

8.5.7.11. promptly remove any Devices no longer being used and Cleanse such Devices prior to

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redeployment or disposal in accordance with **clause 8.7** below**;** and

8.5.7.12. remove packing materials to SARS designated removal area.

8.5.8. Redeployment of a Device (e.g., moving, cleansing a Device, and preparing it for redeployment and its redeployment in accordance with this **clause 8.5**) will count as one Move, including for purposes of **Schedule D** (Charges, Invoicing and Payments).

8.5.9. Test the Device, drivers, software, and related services after the install, including network access, (for example, remote connectivity) using tests approved by SARS.

8.5.10. A Move will be deemed completed once:

8.5.10.1. the Service Provider has completed all the stages specified in **clause 8.3**; **clause 8.5.1**; **clause 8.5.3**; **clause 8.5.4**; **clause 8.5.7** and **clause 8.5.9** above;

8.5.10.2. Service Provider has notified SARS that such Move has successfully passed applicable acceptance testing procedures;

8.5.10.3. the nominated SARS representative, or End-user, has provided acceptance and sign-off; and

8.5.10.4. the Service Provider has updated the CMDB and notified SARS of the need to update the SARS Service Management System.

8.6. Adds and IMACD Changes

The Service Provider will perform Adds/Changes to component parts of Supported Devices in accordance with this **clause 8.6**.

8.6.1. Prior to the Add or IMACD Change, Service Provider will carry out all necessary pre-work, including:

8.6.1.1. performing the staging activities described in **clause 8.3** above;

8.6.1.2. confirming that all hardware, Software, parts, network, cabling, and any services necessary to execute the Add or IMACD Change will be available as of the date scheduled for the Add or IMACD Change;

8.6.1.3. requesting security, file access and other administrative procedures associated with the Add or IMACD Change and confirming the same are complete; and

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8.6.1.4. requesting, coordinating and tracking the scheduling and dispatching of appropriate SARS Support Groups to complete the Add or IMACD Change.

8.6.2. As part of the Add or IMACD Change, the Service Provider will perform the following:

8.6.2.1. providing the necessary technical support to complete the Add or IMACD Change, including onsite support as necessary;

8.6.2.2. performing the Add or IMACD Change, including plugging-in, connecting and fitting all components, and installing any associated drivers;

8.6.2.3. de-installing and re-installing any existing (i) Devices, (ii) Software necessary to de-install or re-install any such Devices, drivers or (iii) other related items or services as necessary to execute the Add or IMACD Change;

8.6.2.4. if required, connecting the Add or IMACD Change component to the SARS network (including updating any relevant database);

8.6.2.5. perform the back-up and/or restore of files in terms of the SARS PPS&G, including any co-ordination tasks with the SARS storage management function;

8.6.2.6. configuring the Device as necessary so that the Device and all its peripherals (including the Add or IMACD Change components) operate correctly;

8.6.2.7. test the Device, drivers, software, and related services after the install, including network access, (for example, remote connectivity etc.) using tests approved by SARS;

8.6.2.8. attach new or validate existing barcodes for the Device, updating the CMDB, and notifying SARS of the need to update the SARS Service Management System;

8.6.2.9. promptly removing any Devices no longer being used and Cleansing such Devices prior to redeployment or disposal in accordance with **clause 8.7** below;

8.6.2.10. transporting Add or IMACD Change components, and removing to the relevant staging area any Device that is being replaced (and either redeployed or disposed); and

8.6.2.11. remove packing materials to SARS designated removal area.

8.6.3. An Add or IMACD Change will be deemed completed once:

8.6.3.1. The Service Provider has notified SARS that such Add or IMACD Change has successfully passed applicable acceptance testing procedures;

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8.6.3.2. the nominated SARS representative, or end-user, has provided acceptance and sign-off; and

8.6.3.3. the Service Provider has updated the CMDB and notified SARS of the need to update the SARS Service Management System.

8.7. Decommissioning

The Service Provider will perform Decommissioning of Devices in accordance with this **clause 8.7**. The Service Provider's responsibilities in this regard will include:

8.7.1. The Service Provider will provide Cleansing and disposal services for Supported Devices in accordance with SARS' Cleansing standards as they be amended from time to time.

8.7.2. The Service Provider will perform Cleansing at a SARS Site. The Service Provider will collect a Device that is being disposed and move it to the cleansing area in the building. For a Device that needs to be moved to a different building for Cleansing, the Service Provider will collect such hardware and move it to the staging area of the destination building.

8.7.3. The Service Provider will update the CMDB to reflect the Device or other hardware that is no longer active when the Device is moved to the Cleansing or storage area.

8.7.4. Decommissioned devices that have not yet been cleansed must be stored securely in accordance with the provisions hereof.

8.7.5. Cleansing will be performed to SARS standards, including degaussing where necessary. All data must be Cleansed from storage device(s), and, in the case of the Device disposal, the storage device(s) must be removed from the Device. Where the Device is to be redeployed, the Device, together with the storage device(s) must be made ready for re-use.

8.7.6. Upon Decommissioning of Devices, the Service Provider will make the necessary changes in the CMDB.

8.7.7. Decommissioning will not be complete until the Service Provider has moved the decommissioned Devices and/or storage device(s) to a location designated by SARS in Gauteng, unless otherwise specified by SARS.

8.8. Consumables

8.8.1. Where an IMACD includes the supply of consumables, the Service Provider may charge for

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the supply of consumables in accordance with the prices for such consumables set out in **Schedule D** (Charges, Invoicing and Payments).

8.8.2. SARS may order consumables from the Service Provider independently of an IMACD in which case the delivery of the consumables must be made to SARS Brooklyn Head Office at no additional charge to the prices for such consumables as set out in **Schedule D** (Charges, Invoicing and Payments).

8.9. IMACD Projects

8.9.1. An IMACD Project consists of:

8.9.1.1. ten(10) or more IMACDs (without regard to whether such IMACDs are related to a single SARS organizational event or multiple SARS organizational events) at a single SARS Site that are to be accomplished simultaneously by the Service Provider, unless SARS, acting in its sole discretion, requests that such IMACDs be performed as individual IMACDs and not as a IMACD Project;

8.9.1.2. fewer than ten(10) IMACDs if SARS requests that such IMACDs be treated as a Project; or

8.9.1.3. an IMACD that involves the extension or modification of underlying cabling or infrastructure to accomplish an IMACD or IMACDs.

8.9.2. SARS, acting in its sole discretion, may subject an IMACD Project to a competitive procurement process. SARS may, but is not required in all cases to, request that the Service Provider submit a bid for accomplishing an IMACD Project. If SARS requests that the Service Provider submit a bid for an IMACD Project, the Service Provider may not decline to bid and will submit a bid for such IMACD Project. If there is an alternate vendor selected for the IMACD Project, the Service Provider will be required to provide any required and related IMACDs at the standard charge. SARS will initiate an IMACD Project by providing its requirements for such IMACD Project (including time deadlines and any ad hoc Service Levels that SARS desires with respect to such IMACD Project) to the Service Provider in reasonable detail. The Service Provider will respond by submitting a fixed-price bid in reasonable detail within five (5) business days. In cases in which the Service Provider reasonably requires to conduct on-site due diligence in order to submit an unconditioned, fixed price bid, the Service Provider will reasonably propose, and SARS will reasonably approve, an alternative near-term deadline that will enable the Service Provider promptly to conduct such due diligence and submit its bid.

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8.9.3. If SARS accepts the Service Provider's bid for an IMACD Project, the Service Provider will promptly undertake such IMACD Project. The Service Provider will complete such IMACD Project in compliance with the Performance Standards and any ad hoc Service Levels agreed by the Parties with respect to such IMACD Project.

8.10. Excluded activities

To the extent that any activity normally considered to be part of an IMACD is conducted as part of the Service Provider's Service Management obligations (including Incident, Problem, Change, Release and Configuration Management), the activity will be included in the base Charges and will bear no additional charge. The Service Provider acknowledges that any activity listed above in this **clause 8.10** that must be performed as part of Incident, Problem, Change, Release and Configuration Management will be performed in accordance with meeting the applicable Service Level; the same activity being mentioned in the scope of IMACD activity does not in any way limit or reduce the Service Provider's obligation to meet the Service Levels.

8.11. IMACD Outputs

The outputs of IMACDs include:

8.11.1. SARS signoffs;

8.11.2. Updates to the CMDB; and

8.11.3. Completed RFC records.

9. EXPEDITED SERVICE REQUEST

Regardless of the Service Coverage Period associated with a device, SARS may request that the Service Provider attends to the repair or service of a specific device outside the Service Coverage Period attached to the device (an "**Expedited Service Request**") in accordance with the following procedure:

(i) On receipt of a request from SARS the Service Provider must offer SARS a committed time of arrival at the site and/or a committed time to repair. SARS may accept or reject such offer provided by the Service Provider.

(ii) On SARS' acceptance of the Expedited Service Request offer, the Service Provider will provide the expedited services at the associated Expedited Service Request charge.

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(iii) If the Service Provider does not meet the committed time of arrival on site and/or the committed time to repair after acceptance by SARS of the offer, no part of the Expedited Service Request charge is payable by SARS.

(iv) The acceptance or rejection of the Service Provider's offer by SARS will not in any way relax the base Service Level already applicable to the device(s).

(v) The Service Provider must provide a monthly report detailing the Expedited Service Requests attended to during the preceding month. The Service Provider must analyse the Expedited Service Requests and include recommendations for ways to reduce the number of Expedited Service Requests in the monthly report.

10. PROJECT MANAGEMENT SERVICES

SARS may as and when required request the Service Provider to provide project management services including the services described in this **clause 10** (the "**Project Management Services**"). The Service Provider must do so in accordance with the processes and procedures set forth or referred to herein and in a manner that interfaces seamlessly and non-disruptively with the SARS PPS&G.

10.1. Best Practices

In providing Project Management Services the Service Provider must apply best practices including with respect to its planning, execution and management of Projects.

10.2. Project Management Services

The Service Provider's obligations relating to Project Management Services include:

10.2.1. utilising project management methodologies, knowledge, skills, Tools, and techniques consistent with leading internationally recognized and accepted project management practices such as those contained in the Guide to the Project Management Body of Knowledge (PMBOK) as updated from time to time by the Project Management Institute (PMI). The Service Provider must be responsible for understanding SARS' requirements, defining the scope of and planning the Project and managing execution to successful completion;

10.2.2. maintaining applicable levels of industry knowledge to provide support for and recommendations for Projects;

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10.2.3. managing knowledge transfer and continuity by ensuring that a significant portion of each Project team remains working on the Project from inception until completion of that Project;

10.2.4. unless and to the extent SARS agrees otherwise, developing functional and technical requirements and Project plans, including cost, ongoing maintenance support requirements, risk, alternatives and recommendations with specific references to any variances to SARS' Project plans and requirements;

10.2.5. using the Service Provider's methodology for the aspects of Projects being worked upon by the Service Provider and working with SARS to help ensure that the Service Provider's methodology aligns with SARS PPS&G (including SARS' Release Management Procedures and Enterprise Programme Management Office methodology) as seamlessly and non-disruptively as possible;

10.2.6. providing a Service Provider project manager for each Project. The Service Provider project managers must be qualified and well-versed in PMBOK, or equivalent qualification, and may, on request by SARS, form part of the Key Service Provider Personnel for all significant Projects;

10.2.7. managing all Subcontractors' and Third-Party Suppliers' participation in a Project;

10.2.8. preparing proposals and plans for Projects and projects as requested by SARS, or as applicable, for approval by SARS. Except to the extent otherwise agreed by SARS, such proposals and plans must be consistent with SARS' program office approved methodology;

10.2.9. defining the Service Provider project scope, deliverables, milestones, project schedules as agreed with SARS and anticipated risks for all Projects;

10.2.10. defining and monitoring the support resources required for the Projects;

10.2.11. testing and, as applicable, piloting, integrating and installing technology components to verify that the Project does not cause unexpected adverse impact to the existing Services or the SARS IT environment;

10.2.12. managing and coordinating the Project with SARS including the applicable SARS project managers and the SARS lead project managers as required, from start until successful completion including liaising as necessary with Third Party Suppliers and acting as a single point of contact for SARS;

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10.2.13. managing the Project communication, which must include feedback, immediate escalations and weekly reports, to the applicable SARS project managers; SARS lead project managers; and to any other parties SARS nominates, from start until successful completion including liaising as necessary with Third Party Suppliers and acting as a single point of contact for SARS;

10.2.14. ensuring signoff by the SARS Project manager has been obtained prior to submitting any invoice to SARS. An invoice submitted to SARS must contain the SARS Project manager's signoff as well as other supporting documentation;

10.2.15. meeting with SARS as necessary or reasonably requested to manage and deliver the Project and deliverables effectively, including supporting and participating in:

(i) Project management committees as required by SARS;

(ii) related SARS business planning meetings in support of the Projects or SARS project managers, as required to review operations and business plans and make recommendations to support the Project;

10.2.16. coordinating and implementing changes to a Project in accordance with SARS' PPS&G (as well as subject to the New Services process under the Terms and Conditions);

10.2.17. coordinating changes required by a Project in accordance with the Operational Change Management Procedure as requested by SARS;

10.2.18. supplying data as reasonably required by SARS to assist SARS to obtain the financial authorisation for the Project, including assisting SARS to produce the initial and full business cases for the Project as well as progress reports against budgets;

10.2.19. tracking, controlling and reporting Project expenditure on an ongoing basis;

10.2.20. ensuring change records are raised on time in accordance with the Operational Change Management Procedure;

10.2.21. ensuring scope change requests are raised on time in accordance with the Project Change Management Procedure;

10.2.22. planning and executing all Configuration Management activities, including tracking changes to CIs, introducing new CIs, decommissioning existing CIs and updating the CMDB within 30 Business hours of any project-related change to a CI, unless otherwise specified by SARS;

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10.2.23. assisting with SARS' preparations of rolling Project portfolios, providing budget estimates for work to be performed by the Service Provider during the following 12 (twelve) months;

10.2.24. measuring, tracking, and evaluating progress against the Project Plans;

10.2.25. maintaining files of the Project Plans and any associated documentation;

10.2.26. addressing the resolution of Project issues and escalating such issues promptly to SARS project managers and, where applicable, SARS lead project manager;

10.2.27. planning, scheduling, conducting and participating in periodic Project planning;

10.2.28. attending and/or holding status meetings, as applicable, which include a review of the work products or other deliverables being produced;

10.2.29. coordinating and scheduling the attendance of Services Personnel as applicable, at such periodic planning, review and status meetings;

10.2.30. reviewing and confirming that the deliverables meet the completion criteria set out in the applicable Project Plan;

10.2.31. managing the quality of the Project deliverables;

10.2.32. managing the transition from Project to process;

10.2.33. attending; participating in; and or holding Project post-implementation review sessions to identify and minimise the recurrence of any problems or issues; and

10.2.34. providing input to the Project history conclusions ("lessons learned") for use on future Projects by the Service Provider or SARS.

10.3. Project related Hardware Management

10.3.1. The Service Provider must perform any Project-related hardware movement on request by SARS. The Service Provider will prepare items for shipment and coordinate the transportation of hardware movement, including the packing of such hardware.

10.3.2. All Project-related hardware must be insured while in transit or in storage.

10.3.3. The delivery of Project-related hardware must be accepted by a SARS staff member and proof of delivery must be signed off by the SARS staff member. The Service Provider must obtain the SARS staff member's full name and surname, including the SARS user ID.

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10.3.4. The risk of loss or damage to SARS Assets in the Service Provider's possession or under the Service Provider's control will be the Service Provider's.

10.3.5. Prior to executing any project involving the move of SARS data, the Service Provider will ensure the encryption requirements for such SARS data have been met in accordance with the SARS PPS&G.

10.3.6. During the project the Service Provider will be responsible for the management and safekeeping of all project assets and will bear the risk of loss or damage, even on SARS premises.

10.4. Project Approval and Cancellation

10.4.1. The Service Provider is not authorised to commence any Project work without SARS' prior written approval or purchase order. With SARS' approval, for Projects only, the Service Provider must charge SARS for Project labour at a reasonable fixed price proposed by the Service Provider and agreed by SARS on a project by project basis, or if SARS does not agree to such fixed price proposed by the Service Provider, on a time and materials basis at the rates set out in **Schedule D** (Charges, Invoicing and Payment).

10.4.2. SARS may cancel, postpone, or change a Project or project that has not commenced upon notice to the Service Provider. SARS may terminate a Project in advance of its completion upon 14 (fourteen) days prior written notice to the Service Provider. The Service Provider must be paid for work performed, and other expenses (such as hardware and payments to Subcontractors) on a Project that is terminated, up to (and including) the effective date of such termination (unless payment for a longer period is agreed in advance by SARS), such agreement to be in SARS' sole discretion; provided that the Service Provider must use Commercially Reasonable Efforts (i) to redeploy its personnel performing such work as soon as possible upon receipt of notice of termination, (ii) to negotiate into subcontracts implicated by this clause provisions permitting the Service Provider to terminate the subcontract for convenience without commitment to payment beyond the effective date of the termination by SARS of a Project or project, and (iii) otherwise to mitigate any such expenses (such as by re-using or reselling hardware purchased for the terminated Project or project). Changes to a Project (e.g., schedule, tasks) must be as reasonably required by SARS following the establishment of the Project, and Service Provider must use Commercially Reasonable Efforts to accommodate such Changes as soon as practicable.

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11. RELATED SERVICE MANAGEMENT SERVICES

11.1. SARS Information Governance Portal

11.1.1. The Service Provider will, as part of the Services and at no additional charge, utilise a secure web-based portal (the "**SARS Information Governance Portal**") accessible only by the Service Provider, SARS and SARS' designated agents that will deliver the functionality detailed below for the provisioning of the Services.

11.1.2. The Portal will provide the following information and functionality:

11.1.2.1. Store and provide the ability to view the current Contract Obligations Tracker including escalation procedures, contract details and the ability to update them.

11.1.2.2. Repository of current and historical reports.

11.1.2.3. Repository of approved Service Provider Process and Procedure Library documents.

11.1.2.4. Provide the pricing of Standard Chargeable Services, contracted rates and history of such rates

11.1.2.5. Request a change in the assignments of Service Levels or service coverage periods to SARS sites

11.1.2.6. Provide notice of a change in the Service Level or Service Coverage Period applicable to a site

11.1.2.7. Provide notice of the addition or removal of a site, category of equipment, brands of equipment or items of equipment

11.1.2.8. Request Standard Chargeable Services

11.1.2.9. Request and review quotations

11.1.2.10. Provide an up-to-date site and equipment list

11.1.2.11. Request a quote

11.1.2.12. Order tracking

11.1.2.13. List of active Projects and up-to-date status

11.1.2.14. Report on a full order history for all orders placed during the Term including but not limited

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to the following information:

(i) Date of placement of order;

(v) Date of fulfilment of order;

(vi) SARS reference relating to the order;

(vii) Details and price of order;

11.1.2.15. Tracking and reporting on the history of all changes in the scope of and charges for the Services (volumes, type of equipment, rates, pricing and charges) from the Commencement Date.

11.2. Consulting Services

The Service Provider must provide to SARS consulting services as reasonably requested by SARS in accordance with this **clause 11.2** (the "**Consulting Services**"). Unless otherwise expressly provided, all Consulting Services must be provided by the Service Provider at no additional charge. Where this Agreement expressly authorises the Service Provider to charge separately for Consulting Services, any such Consulting Services must be provided on a Time and Materials Basis or, if the Parties agree, on a fixed price basis in which case the Consulting Service will constitute a Project and the provisions of **clause 10** of this **Schedule B** (Service Management Services SOW) will apply. Examples of Consulting Services that SARS may request the Service Provider to perform include:

11.2.1. Future Technology Delivery

The Service Provider must proactively identify strategies and approaches for future technology delivery within SARS that may provide SARS with competitive advantages. The Service Provider must assist SARS in setting SARS' technology direction and strategy. The Service Provider must assist SARS in aligning SARS technical architecture with its business and technical strategies;

11.2.2. Management of Technology Offerings

The Service Provider must support SARS in the management and representation of technology product and service offerings to its internal clients;

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11.2.3. **Identification of Product and Enhancement Opportunities**

Without limiting the generality of the Service Provider's obligations to provide ongoing innovation, the Service Provider must identify product and enhancement opportunities for improved performance, and notifying SARS of such opportunities;

11.2.4. **Maintaining Industry Knowledge**

The Service Provider must maintain applicable levels of industry knowledge of SARS' operations;

11.2.5. **Participating in Forums**

The Service Provider must maintain applicable levels of participation and input into forums and conferences, user groups, trade associations, and similar organisations; supporting the development of a clear, concise, strategic direction for the Services.

11.2.6. **Technical Advice**

The Service Provider must provide technical advice to SARS in the development of plans, management of expectations, and promotion of successful project implementations.

11.2.7. **Recommending Improvements**

The Service Provider must recommend improvements in procedures and tools, including implementing redundancy measures where required.

11.3. Training

11.3.1. **Training and Education Program**

The Service Provider must be responsible for maintaining an active and dynamic training and education program designed to further develop and maintain the requisite skills and technical knowledge of personnel assigned by the Service Provider to perform the Services, including coordinating training for products provided to SARS by the Service Provider. The Service Provider must implement an employee training program that must complements this capability and that must further develop and maintain the requisite skills and technical knowledge of Services Personnel.

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11.4. SARS' Technology Standards

11.4.1. Determination of Technology Standards

Technology Standards will be determined by SARS, and the Service Provider agrees to comply with such Technology Standards as such standards may be reasonably updated from time to time. To the extent that compliance with updated standards qualifies as a New Service under the definition of "New Services", the Service Provider may charge SARS for the effort required to so comply in accordance with the terms of **Schedule D** (Charges, Invoices and Payments).

11.4.2. Evaluation of Technology Standards

The Service Provider must evaluate the Technology Standards on a continuing basis and proactively recommend changes, additions and deletions (which may include suggested upgrades to the Supported Hardware and Supported Software), for SARS' consideration, taking into account SARS' operations, environment, goals, and objectives. SARS requires that any Supported Software be maintained at least 1 (one) version below the latest version, unless SARS directs or agrees otherwise, in its sole discretion.

11.4.3. Participation in Technology Standards Review Process

The Service Provider must participate in SARS' Technology Standards review processes. The Service Provider's obligations in this regard include:

11.4.3.1. performing reviews of the Technology Standards as required by SARS from time to time;

11.4.3.2. conducting trials of proposed Technology Standards as requested by SARS

11.4.3.3. preparing and publishing Green Papers on proposed new Technology Standards;

11.4.3.4. managing SARS' review of Green Papers, including updating Green Papers to reflect SARS' comments;

11.4.3.5. preparing and publishing White Papers and updating White Papers to reflect SARS' comments;

11.4.3.6. managing the process of SARS review and approval through to final approval of the new, changed or retired Technology Standard; and

11.4.3.7. conducting investigations of any deviations from the authorised Technology Standards.

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11.5. Power Down Testing

11.5.1. General

At SARS' request, the Service Provider will provide on-site support for power-down / power-up tests (each, a "**Power Down Test**") at SARS Sites. For purposes of this **clause 11.5**, "**Power Down Limit**" means the number obtained by multiplying 0.5 by the number of SARS Sites. The Service Provider will conduct a number of Power Down Tests, as requested by SARS, per calendar year not exceeding the Power Down Limit at no additional charge to SARS. To the extent that SARS requests Power Down Tests that, in the aggregate, exceed the Power Down Limit, SARS will reimburse Service Provider (on a Time and Materials basis) for incremental expenses incurred the by the Service Provider for those Power Down Tests conducted during such calendar year after the Power Down Limit is reached.

11.5.2. Specific Power Down Test Responsibilities

The Service Provider's Power Down Test responsibilities must include:

11.5.2.1. disabling the devices at the specified SARS Site;

11.5.2.2. after the Power Down Test is complete, immediately enabling the devices;

11.5.2.3. co-ordinate or conducting tests to ensure that all such devices are operating properly (including End-user testing) and are able to be monitored using the SARS' monitoring tools;

11.5.2.4. promptly Resolving any Incidents or other issues arising from the Power Down Test; and

11.5.2.5. restore the Services immediately following power restoration at the specified SARS Site.

11.5.3. If a fault occurs during 'power-up' this fault must be treated as an Incident in accordance with the Incident Management Procedures.

11.6. Maintenance

11.6.1. Service Provider's preventative maintenance obligations include:

11.6.1.1. notifying SARS of relevant maintenance recommendations, specifications or suggestions published from time to time by the manufacturer of the Supported Hardware and Supported Software;

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11.6.1.2. where available, subscribing to user/developer/engineering information services that are made available by the manufacturer of the hardware and Software; and

11.6.1.3. notifying SARS that an item of Supported Hardware and Supported Software is going out of manufacturer support as soon as such notice is issued by the manufacturer and ensuring that SARS is repeatedly notified (no less frequently than every month) before the support period has expired.

11.7. Enhanced Support

11.7.1. "**Enhanced Support**" means working outside the applicable Service Coverage Period to support or maintain Supported Hardware and Supported Software. Service Provider will use resources permanently assigned to the SARS account to provide Enhanced Support at the Operational Units and SARS Sites specified by SARS, in the following circumstances, and upon SARS' giving reasonable notice:

11.7.1.1. disaster recovery testing support (including any scheduled 'all hands-on deck' events declared by SARS);

11.7.1.2. support before and following building "power-downs" and "power-ups";

11.7.1.3. support as relates to an Extraordinary Event;

11.7.1.4. support in returning to the former functionality for affected Supported Hardware following an Extraordinary Event or disaster affecting the Supported Environment;

11.7.1.5. virus outbreaks affecting the Supported Environment; and

11.7.1.6. security threats affecting the Supported Environment.

11.7.2. In addition, the Service Provider will provide Enhanced Support for the following planned events upon SARS' reasonable request:

11.7.2.1. the relocation of all or a large part of an Operational Unit at a SARS Site to a new location; or

11.7.2.2. other planned material changes to the Supported Environment;

11.7.2.3. SARS business-related events requiring enhanced levels of readiness.

11.7.3. Enhanced Support will be provided for the period of time (and during the hours) reasonably

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determined by SARS on a case-by-case basis.

11.7.4. Where additional resources are required for the provision of Enhanced Support:

11.7.4.1. senior representatives from both Parties will attempt to prioritize the demands made on existing personnel (including both dispatch and dedicated staff) to cover such situation; and

11.7.4.2. if the senior representatives from both Parties agree to reassign existing resources from other assignments to cover the Enhanced Support, failure to meet the Service Levels for the Services being performed prior to such reassignment may be waived by SARS to the extent agreed in advance by the Parties until the Enhanced Support is completed; or

11.7.4.3. the Parties may agree that the Service Provider will be compensated for such additional resources on a Time and Materials Basis.

11.8. Interfaces & Tools

11.8.1. Interfaces

The Service Provider will be solely responsible for developing and maintaining all required interfaces between, on the one hand, the Supported Software, and on the one hand, the Supported Hardware and any other Software or hardware with which the Supported Software interfaces, whether owned by SARS, the Service Provider or a Third Party.

11.8.2. Tools

In performing the Service Management Services, subject to **clause 1.2** of this **Schedule B** (Service Management Services) the Service Provider may use its own software tools, provided however that (a) if the Service Provider uses its own tools, the Service provider must be solely responsible for developing and maintaining all interfaces between such tools and SARS' systems and (b) if the Service Provider wishes to use the tools that SARS uses, then in accordance with the provisions of the **Main Agreement** the Service Provider must be responsible for obtaining any Required Consents (software licensing and so forth) in respect of any such tools that are Third Party Software and will be responsible for introducing such tools into the SARS environment in accordance with the SARS release process as documented in the SARS PPS&G. In either scenario, the Service Provider must be responsible for the costs of any equipment, telecommunications services, or software licences or development required for establishing and maintaining such connectivity. SARS will not bear

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any costs arising from establishing and maintaining such connectivity that it would not have been incurred had the Service Provider not elected to implement such interface.

11.9. General Approach to Acceptance

11.9.1. Except to the extent in a particular context in an SOW or elsewhere in the Agreement that addresses this topic in a more specific way (which must take precedence), the following are certain principles regarding SARS' acceptance of deliverables, Changes and IMACDs. (The deliverables may be as a result of a Project or the base Services.)

11.9.2. The Service Provider must provide, for SARS' review, comment and approval (in its sole discretion), the proposed testing process (where applicable) and acceptance criteria for a deliverable, Change or IMACD.

11.9.3. The acceptance criteria will be designed to verify that the relevant Services have been completed in accordance with all applicable terms and conditions of this Agreement (as well as any activity-specific requirements). Such deliverable, Change or IMACD must not be deemed accepted until after (i) the Service Provider has notified SARS that the deliverable, Change or IMACD has been completed (including proof that all required testing has been successfully passed), and (ii) SARS has notified the Service Provider in writing of its acceptance in accordance with the approved acceptance criteria. SARS has no obligation to accept any deliverable, Change or IMACD unless and until (i) all tasks, activities, services, responsibilities and obligations of the Service Provider relating to such deliverable, Change or IMACD have been completed and done so at or above the applicable requirements in this Agreement, and (ii) the deliverable, Change or IMACD meets each of its acceptance criteria.

12. MISCELLANEOUS

12.1. Current Hardware and Software Capabilities

If SARS provides hardware or Software (excluding the SARS Service Management System) and requires the Service Provider to use such hardware or Software to deliver the Services and (a) if such hardware or Software does not contain or provide the features, functionality or output required to perform the Services, or (b) in the case of Software, if any such Software is not compliant with the applicable software release level required under this Agreement, the Service Provider will be excused from performing any Services which depend on such Software to the extent that any such condition materially impairs its performance, and SARS will reimburse the Service Provider for the Service Provider's incremental costs to perform,

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to the extent due to any such condition, provided that the Service Provider uses Commercially Reasonable Efforts to perform notwithstanding this condition and mitigates to the extent possible its increased costs of performance. If SARS requests the Service Provider to remedy any such condition, the Service Provider will do so as a Project.

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APPENDIX B-1: REQUIRED CONFIGURATION ITEMS (CIS)

[Note to Bidder: this will be populated during contract finalisation]

As per Equipment list.

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APPENDIX B-2: URGENCY AND IMPACT DEFINITIONS

[Note to Bidder: this will be populated during contract finalisation]

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SCHEDULE B-S: SERVER SUPPORT SERVICES SOW

APPENDICES AND ATTACHMENTS

Appendix B-S-1	Server Support Services Transition Plan
Appendix B-S-2	Server Support Services Dependencies
Appendix B-S-3	Server Support Services Reports
Appendix B-S-4	Server Support Services Contract Obligations Tracker
Appendix B-S-5	Server Support Services Third Party Service Contracts
Appendix B-S-6	Server Support Services SARS Provided Hardware
Appendix B-S-7	Server Support Services SARS IP Licensed to Service Provider
Appendix B-S-8	Server Support Services SARS Facilities Available for Service Provider Personnel
Appendix B-S-9	Server Support Services Service Provider Provided Hardware
Appendix B-S-10	Server Support Services Required Accreditations for Service Provider Personnel
Appendix B-S-11	Server Support Services Flowcharts`
Appendix B-S-12	Server Support Services Site List and Applicable Service Levels
Appendix B-S-13	Server Support Services Supported Hardware
Appendix B-S-14	Server Support Services Supported Software

1 SERVER SUPPORT SERVICES

1.1. Introduction

Service Provider will support the Server Environment (as defined below in **clause 1.3.1**) including performing:

1.1.1. the Services described in this **Schedule B-S** (Server Support Services SOW);

1.1.2. the further services comprising the Services pursuant to **the Main Agreement**; and

1.1.3. any other obligations of Service Provider under this Agreement relating to the Server Environment (e.g., Service Level Reporting),

1.1.4. save only those services, activities, functions, and responsibilities set out in **Schedule B-S-2** (Server Support Services Dependencies) (collectively, the '**Server Support Services'**). Service Provider will perform the Server Support Services in accordance with the Performance Standards.

1.2. Overview of the Server Support Services

Without limiting the generality of **clause 1.1** above, the Server Support Services generally fall into three categories:

1.2.1. Transition Services for the Server Support Services, which are described in **clause 2** and **clause 5** below;

1.2.2. Service Management Services specific to the Server Support Services, including Break-fix

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services and IMACD services, which are described in **clause 6** below; and

1.2.3. additional Server Support Services, which are described in **clause 7** below.

For clarity, a table is provided in **Appendix B-S-11** (Server Support Services Flowcharts) to outline the scope of certain services.

1.3. Server Environment

1.3.1. The "**Server Environment**" consists of:

1.3.1.1. the Server Supported Hardware;

1.3.1.2. the Server Supported Software. Notwithstanding the inclusion of such Server Supported Software in the Server Environment,);

1.3.1.3. any Third-Party Service Contracts relating to the Server Supported Hardware or Server Support Services that the Service Provider is required to manage on SARS' behalf, which are listed in **Appendix B-S-5** (Server Support Services Third Party Services Contracts);

1.3.1.4. any hardware provided to the Service Provider by SARS to assist the Service Provider to perform Server Support Services, which Hardware is listed in **Appendix B-S-6** (Server Support Services SARS Provided Hardware);

1.3.1.5. any Intellectual Property licensed by SARS to the Service Provider to assist the Service Provider to perform Server Support Services, which Intellectual Property is listed in **Appendix B-S-7** (Server Support Services SARS IP Licensed to Service Provider); and

1.3.1.6. any facilities made available by SARS to the Service Provider for the Service Provider Personnel to perform Server Support Services, which facilities are listed in **Appendix B-S-8** (Server Support Services SARS Facilities Available for Service Provider Personnel).

1.3.2. "**Server**" means a server, as such term is generally understood in the IT industry, as well as attached tape drives (whether internal or external) and associated peripherals listed in the Server Supported Hardware together with instances of Server Supported Software.

1.4. General Principles

1.4.1. The Service Provider will provide the Server Support Services in accordance with SARS' capacity requirements, as they may change from time to time, and the Service Provider's approach to providing such Services contains no inherent capacity limitation or scalability issues.

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1.4.2. Without limiting the Service Provider's obligations under this **Schedule B-S** (Server Support Services SOW), certain responsibilities are included within the scope of the Services (and within the Service Charges established in **Schedule D** (Charges, Invoicing and Payments)) although not specifically addressed in this **Schedule B-S** (Server Support Services SOW). These responsibilities include:

1.4.2.1. compliance with good engineering practices;

1.4.2.2. compliance with SARS' PPS&G;

1.4.2.3. management and configuration of the Server Environment so as to minimise the requirement for IMACDs and Break-fix Incidents;

1.4.2.4. prompt, efficient and courteous co-ordination and co-operation with SARS, including the use of good customer service techniques;

1.4.2.5. the use of good housekeeping and professionalism in the maintenance of any office space that SARS may make available or other SARS' premises.

1.4.2.6. 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 Server Support Services competitive with the similar services offered by well-managed and adequately-funded organisations throughout the Term;

1.4.2.7. ensuring that the Service Provider Personnel performing Server Support Services have and maintain the appropriate accreditation to perform the functions assigned to them, including any granted by the applicable Third-Party manufacturers of the relevant Server Supported Hardware. Without limiting the generality of the foregoing, Service Provider will maintain compliance with the requirements set out in **Appendix B-S-10** (Server Support Services Required Accreditations for Service Provider Personnel);

1.0.0.1 maintaining accreditation as a warranty services provider (either itself or through its Subcontractors) for the Dell brand indicated in **Appendix B-S-13** (Server Supported Hardware); and

1.4.2.8. without limiting the generality of the preceding two clauses, Service Provider will render the Server Support Services in all respects so as not to void or reduce any applicable warranty coverage for the Server Supported Hardware. In furtherance of this, the Service Provider will have only Service Provider Personnel who have the required certifications

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perform activities as to which the absence of such certifications would void or reduce warranty coverage. The Service Provider will also only utilise Third Parties for Break-fix or other activities, including the purchasing of Parts, that are authorised by the applicable OEM (including, if required, only purchasing Parts from the applicable OEM or a distributor or other supplier / Service Provider authorised by the applicable OEM).

1.5. SARS Sites where Server Support Services are to be Performed

The Service Provider will perform the Server Support Services at all SARS Sites unless otherwise specified by SARS.

1.6. Contract Obligations Tracker

Any operational-level communications relating to the Server Support Services or this **Schedule B-S** (Server Support Services) will be escalated in accordance with the escalation procedures set out in **Appendix B-S-4** (Server Support Services Escalation Procedures).

1.7. Reports

The Service Provider's responsibilities with regard to preparing and delivering reports in connection with the Server Support Services are set out in **Appendix B-S-3** (Server Support Services Reports). The Service Provider will only use SARS' approved discovery tools to generate any relevant reports e.g. to perform Server health checks or CMDB verifications.

2 SCOPE

2.1. The scope of SARS's requirements for: Server Support Services comprises nationwide provision of the following:

2.2. Server support services (Device-based Services, Standard Chargeable Services, project, consulting, body-shop engineers and training) for SARS-owned and SARS-managed Dell Intel-based Servers, Dell Blade servers, Dell Chassis, including hardware support. SARS has standardized on one Server brand, Dell. Service Providers must support this brand. This includes having the necessary OEM accreditation to provide comprehensive support for this brand, ensuring that the Service Provider's team is ready to offer proficient hardware and parts assistance. The successful Bidder will be expected to ensure that their staff are fully trained and up to date with the necessary skills to support this brand, reflecting a commitment to ongoing professional development and certification in line with the latest technological developments. Furthermore, the Service Provider is expected to guarantee a supply of genuine parts and accessories for this Server brand, ensuring swift and effective responses to service requests. This also involves proactive engagement with the OEM to stay abreast

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of technological updates, ensuring that SARS benefits from high-quality, secure server solutions. This approach aims to uphold a robust, efficient server environment tailored to meet SARS's specific operational requirements and security protocols.

2.3. Procurement and other services

2.4. Non-exclusive procurement of Server consumables not limited to OEM, including pre-sales and post-sale support from OEM Partners' supply of consumables.

2.5. The common services set out in paragraph 6 including service management, Service Provider management personnel, administration, consulting, project management and support.

2.6. The services will comprise:

2.6.1. The management of incidents,

2.6.2. The provision of defined services relating to the supported equipment and maintenance services;

2.6.3. Professional services,

2.7. The provision of Standard Chargeable Services such as installs, move, add, change and decommissioning services; and

2.8. Compliance with required service management procedures.

2.9. The required services include Professional Services, to provide for escalation of DELL OEM hardware and software related incidents and configuration related incidents.

2.10. As part of Device-based Services in, the Service Provider must:

2.10.1. Ensure that the server device operating systems are supported, In-warranty and all OEM-recommended firmware are installed in line with SARS PPS&G,

2.10.2. Inform SARS of any announcement made by the device OEM regarding hardware, firmware and software end of support dates,

2.10.3. Follow the SARS service management procedures to ensure that the servers are maintained in accordance with the SARS PPS&G; and

2.10.4. Resolve operating system software incidents as part of the Break-fix

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services.

2.10.5. SARS may require the Service Provider to perform inventory checks.

2.10.6. SARS may require the Service Provider to provide courier services.

2.11. SARS may request Body-shop engineers during the term of the contract, new rate cards per skill level will be included as part of Professional Services and extend the services to server administration and management.

2.12. Professional Services (server-based) must include skills for Microsoft Azure Cloud Services and OEM server devices as and when required during the term of contract.

2.13. The Service Provider must provide Research and Development Services — provide recommendations towards new technologies and automation in server space as and when required.

3. Flexible Support Services

3.1. The Service Provider shall be required to provide flexible support services to accommodate SARS's changing needs and requirements concerning the support of evolving technologies and business demands.

3.2. Adaptive Service Delivery

3.2.1. The Service Provider shall demonstrate the capability to expeditiously adapt to SARS's varying needs by delivering prompt and efficient support services in response to fluctuating demands, technological progress, and shifting business requirements. This includes, but is not limited to, the deployment of supplementary resources, the reallocation of existing resources, and the modification of support processes and procedures as necessary.

3.3. Proactive Technology Support

3.3.1. The Service Provider shall proactively monitor and stay informed about advancements in technology and industry best practises to ensure that SARS receives adequate support. This includes providing guidance and recommendations for the adoption of new technologies, upgrading existing systems, and optimising the overall IT infrastructure.

3.4. Scalable Support Model

3.4.1. The Service Provider shall implement a scalable support model capable of accommodating the growth, expansion and reduction of server devices of SARS's IT infrastructure and services. This includes the ability to adjust support levels, resource allocation, and service

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offerings as needed to meet SARS's evolving demands and requirements.

3.5. Agility in Service Implementation

3.5.1. The Service Provider shall be capable of rapidly implementing new services, processes, or support structures in response to SARS's shifting needs and requirements. This includes the ability to efficiently integrate new technologies, systems, and solutions into the existing IT environment, while ensuring minimal disruption to SARS's business operations by conforming to the service management frameworks.

3.6. Collaborative Approach

3.6.1. The Service Provider shall work collaboratively with SARS to understand its changing needs and requirements and develop and implement effective support strategies accordingly. This includes maintaining open lines of communication, actively seeking feedback, and continuously refining support processes and procedures to ensure optimal service delivery.

3.7. Delivery Model

3.7.1. SARS currently engages a single Service Provider to provide server support services. The incumbent Service Provider is managed by SARS and provides the scope as described above. SARS's requirements for services now include additional services such as the inclusion of support for additional device types.

3.8. Transition

3.8.1. The Service Provider appointed in this Agreement is required to complete the Transition Services within 90 days from the Effective Date. By the end of the 90 days, the Service Provider must have assumed full management responsibility for the full scope of Server Support Services. In addition to any other commitment required in the Server Support Services Agreement, the Service Provider must have:

3.8.1.1. Fully designed, developed, implemented the signed-off processes, procedures, schedules and work practices detailed in the *Server Device Support Services Agreement,* especially those detailed in Schedule B-S and its attachments;

3.8.1.2. Verified the warranty status of all Server Devices,

3.8.1.3. Committed to reporting and meeting Service Levels as set out in Schedule C and Appendices C-S-1 and C-S-2 of the *Server Device Support Services Agreement,*

3.8.1.4. Determined and defined the method of obtaining the data from the SARS Service Management System, including the assignment of Service Provider personnel to perform transactions on the SARS Service Management System and, if the Service Provider has

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so elected, to interface its own service management system with the SARS Service Management System,

3.8.1.5. Established the required governance as specified in Schedule E of the *Server Device Support Services Agreement,*

3.8.1.6. Taken over the management of any server support services that are sourced through third parties; and

3.8.1.7. Attended any training specified by SARS to understand the SARS environment, systems and operating procedures.

3.8.1.8. The Service Provider is not expected to conduct an audit of the devices to be supported. The SARS CMDB will be used as the basis for determining the devices that will form the scope of the Services and for the purposes of billing. If an incident is logged for a device that is not recorded on SARS's CMDB but falls into the categories of supported Server devices, the Service Provider must attend to the incident on a time and materials basis. The Service Provider must record all relevant information relating to the device that will enable the device to be recorded on SARS's CMDB, and the device will thereafter be deemed to be covered in the support agreement, and the Service Provider may thereafter charge for the device according to the rate corresponding to the device's classification. No Service Levels will apply to the restoration of service relating to devices that are not recorded on SARS's CMDB. In the event the Service Provider becomes aware that a device on SARS's CMDB is no longer deployed, it is incumbent on the Service Provider to inform SARS as soon as it has become aware of the device's status.

3.9. Device-based Services Applicable to

3.9.1.1. SARS has defined the various Device-based Services to be performed in general in paragraph 6.2 above. The categories of server equipment within the scope of the Services are set out in Table S-1 below. Table S-2 sets out the Break-fix services that are applicable to the various categories of server equipment with reference to both Table S-1 and paragraph 6.2.

3.9.1.2. The details of the number of units, in each category, the number at each site in SARS, brand and models are provided in the equipment lists included in the RFP pack.

3.9.1.2.1. *Site Classifications,*

3.9.1.2.2. *Server Categories and Quantities; and*

3.9.1.2.3. *Server Categories per SARS Site.*

3.9.1.3. One of the objectives in this RFP is to achieve flexibility in the procurement of services. In

this regard, Table S-2 sets out the Break-fix services that SARS may require during the Term. The Bidder is required to provide rates for all required services for each server device category set out below, as well as the rates for different Service Levels, Service Coverage Period and Site Classification of the devices. The Bidder is referred to the Pricing Response Template for the details of prices that must be supplied by the Bidder.

3.9.1.4. During contract finalisation, SARS will make an election in each device type as to which Device-based Service must be provided as of the Commencement Date. Thereafter, SARS may change the Device-based Service applicable to a type of device with 2 (two) months' notice.

3.9.1.5. For example, the Bidder must provide rates for Break-fix services (In-warranty, Out-of-warranty, Swap-out and Service-only) for KVM Consoles. SARS may elect during contract finalisation to contract for Break-fix services (In-warranty) and Break-fix services (Out-of-warranty) for this type of device. Within 2 (two) months' notice SARS may change the services applicable to this type of device (and the applicable Charges) to be Swap-out services.

Table S-1: Categories and Types of Servers and Server Equipment

Category	Description / notes
Server Computing Devices	
Server (Intel) Dell PowerEdge R710 Dell PowerEdge R720 Dell PowerEdge R730 Dell PowerEdge R740XD Dell PowerEdge R740 Dell PowerEdge R760 Dell PowerEdge R910 Dell PowerEdge R920 Dell PowerEdge R930 Dell	Includes the Server, motherboard, firmware, case, power supply, memory, hard drives, Host Bus Adaptor (HBA), network card, and SFPs. Note that this excludes the display/screen.

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PowerEdge R940 Dell PowerEdge R960 Dell PowerEdge R240	
Server Blade (Intel) Dell PowerEdge M630 Dell PowerEdge M640 Dell PowerEdge MX740C Dell PowerEdge FC640 Dell PowerEdge MX750C Dell PowerEdge MX760C	Server blade including firmware.
Blade Chassis (Intel) Dell Blade Enclosure FX2 Dell Blade Enclosure M1000e Dell Blade Enclosure MX7000	Includes the chassis, chassis management controller, SD cards, power supply, switches, and backplane.
Server (Shared infrastructure platform)	Shared infrastructure server platform that integrates processor, network switches,
Server Peripherals/Miscellaneous	
KVM Console	KVM console and keyboard for server rack configuration.
KVM Switch	KVM switch for multiple server management.

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Table S-2: Detailed Description of Device-based Break-fix Services Applicable to Server and Server Equipment Categories and Types

Category/type	Break-fix Services				Notes
	In-warranty	Out-of-...	Ti m		
Server Computing Devices					
• Server (Intel) • Server Blade • Blade Chassis (Intel), including onboard switches. • Server (shared infrastructure platform)	SP-provided WUS	SP-provided WUS	n/a	n/a	All devices must be repaired onsite unless authorized by SARS. The Service Provider must provide a WUS to meet the Service Levels. Note that in practice the WUS may be used to Swap-out parts to restore service while faulty units are being. repaired.
Server Peripherals / Miscellaneous					
KVM Console	No WUS	No WUS	SARS-provided Swap-out device	n/a	All devices may be repaired on or offsite.
KVM Switch	No WUS	No WUS	SARS-provided Swap-out device	n/a	All devices may be repaired on or offsite.

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4. Transition services

4.1. Transition Services / Transition Plan

4.1.1. The Service Provider is expected to provide a transition plan that contains key elements for a transition project to achieve a successful transition and minimise disruptions and not compromise services to SARS. The transition plan for the appointed Service Provider should clearly elaborate on the following aspects:

4.1.1.1. Projects Phases: Clearly stipulated stages of the transition project (e.g., Initiation, Planning, Execution, Monitoring, Closure);

4.1.1.2. Project Management: The Project schedule for the transition process with scope, timelines, dependencies, milestones, deliverables, based on the services provided and showing a maximum transition period of 3 (three) months,

4.1.1.3. Roles and Responsibilities to be defined by the appointed Service Provider, SARS and the outgoing Service Provider

4.1.1.4. Stakeholder Engagement and Communication: Approach of managing identified stakeholders and maintaining regular and effective communication channels to keep stakeholders informed throughout the transition process,

4.1.1.5. Risk management: Management of identified risks and issues associated with the transition process and mitigation strategies,

4.1.1.6. Deployment approach and Migration: Clearly outline the deployment approach, implementation and migration to move services to the appointed Service Provider and specify how downtime and disruptions will be minimised during the transition,

4.1.1.7. Training and Knowledge Transfer: Outline training approach and mechanisms of knowledge transfer,

4.1.1.8. Quality assurance: Approach and processes to reduce or eliminate errors or defects in the final outcomes of a project establishing standards, guidelines and procedures to prevent quality issues and maintain the integrity of the product or service throughout its development,

4.1.1.9. Compliance and Governance: Ensure compliance with relevant regulations and industry standards: and

4.1.1.10. Post-transition Support and Optimisation, provide ongoing support and maintenance for the new infrastructure/services following the transition.

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4.2. Experienced Transition team

4.2.1. For the transition process, the appointed services provider is required to have multidisciplinary transition team with experience in executing a transition project similar to the size of SARS. The different roles in the transition team structure should fulfil the following areas of expertise at a minimum, supported by relevant experience: Transition Management, Project Management/Program Management, Vendor and Contract Management, IT Service Management and Technical Subject matter experts.

4.2.2. The Service Provider shall:

4.2.2.1. perform the services described in this clause 2 and clause 5 below and the Transition Plan (as the same will be further developed in accordance with clause 4.3 below) in accordance with the timetable set out in the Transition Plan, including delivering the Transition deliverables in accordance with clause 4.4.1 below; and

4.2.2.2. take any other steps and perform any other services (save for the Transition activities that are expressly stated in this Agreement to be SARS' responsibility) that are necessary in order for the Service Provider to be ready to commence performing the Services, in accordance with the Performance Standards, from the Commencement Date,

(together, the "**Transition Services**").

4.2.3. The Service Provider will perform the Transition Services in such a manner that:

4.2.3.1. performance of the Services is transferred to Service Provider in a smooth and orderly manner, without disruption or deterioration to the Services and so that the Services continue to meet the SARS' business requirements;

4.2.3.2. any unplanned disruption associated with the Transition to the End-users is minimised; and

4.2.3.3. to the extent the same is within the reasonable control of Service Provider, the internal and Third-Party costs incurred by the SARS in relation to the Transition are minimised.

4.2.4. Save for those Transition activities expressly stated in **Appendix B-S-2** (Server Support Services Dependencies) or in **Appendix B-S-1** (Transition Plan) to be SARS' responsibility, Service Provider has overall responsibility for the successful Transition of the Services in accordance with this Agreement.

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4.3. Transition Plan

4.3.1. Appendix B-S-1 (Server Support Services Transition Plan) sets out the Transition Plan as at the Effective Date.

4.3.2. The Service Provider and SARS will each perform their respective tasks in accordance with the Transition Plan.

4.3.3. Until completion of Transition, the Service Provider shall, acting reasonably, update and develop the Transition Plan, including to address the impact of issues identified by either Party, provided, however, that all such updates will be subject to SARS' approval. The Service Provider will also make changes to the Transition Plan as reasonably requested by SARS from time to time.

4.3.4. In developing or changing the Transition Plan, the Service Provider will not impose any obligations on SARS or change SARS' Transition obligations specified in the original Transition Plan (including their timing), without SARS' approval.

4.4. Testing and Handover

4.4.1. The Service Provider shall:

4.4.1.1. deliver each Transition Deliverable such that it meets the associated Transition Deliverable Criteria and is capable of passing the Transition Tests, in accordance with the Transition Milestones; and

4.4.1.2. otherwise demonstrate to SARS' reasonable satisfaction that it is ready, prior to the Commencement Date, to commence performing the Services.

4.4.2. SARS will perform the Transition Tests (and the Service Provider will assist, as requested by SARS). If the relevant Transition Deliverable or Service element fails its Transition Test, then SARS will provide the Service Provider with written details of why the Transition Test was failed and at SARS' discretion:

4.4.2.1. The Service Provider will re-perform the relevant part of the Transition, and the Transition Test will be repeated in accordance with this **clause 4.4.2,** and if not passed or accepted in accordance with the provisions of the Main Agreement and set out below, then the Service Provider will continue to re-perform and the Transition Tests will be repeated until passed or accepted; or

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4.4.2.2. SARS may (in its discretion) accept any non-conforming Transition Deliverable or Service element, in which case the Service Provider will rectify the non-conformity as soon as practicable after acceptance (and the Transition Tests will be repeated).

4.4.3. The Service Provider will not commence performance of the Services (other than the Transition Services) until:

4.4.3.1. the Transition Tests are passed in accordance with **clause 4.4.2** above (or SARS accepts the Services in accordance with **clause 4.4.2.2**; and

4.4.3.2. SARS otherwise approves the commencement of Services (such approval not to be unreasonably withheld).

4.4.4. If the Service Provider is prevented from delivering a Transition Deliverable and the same is excused pursuant to **clause 23** of the **Main Agreement** (Force Majeure) or **clause 10.2** (Excused Performance) of the **Main Agreement**, then:

4.4.4.1. SARS shall, having consulted with the Service Provider and acting reasonably, extend the date for delivery of such Transition Deliverable by a reasonable period that reflects the impact of such Force Majeure Event or failure, and Service Provider will deliver such Transition Deliverable by such revised date; or

4.4.4.2. the Service Provider will commence performing those Services that it is able to perform and will be excused from performing the remainder of the Service in accordance with, as relevant, **clause 23** (Force Majeure) of the **Main Agreement** or **clause 10.2** (Excused Performance) of the **Main Agreement**.

4.4.5. If there is a delay in the handover of any of the Services, then the charges for such Services will not commence until actual handover has occurred.

4.5. Failure to Meet Milestone Dates

4.5.1. If:

4.5.1.1. a Transition Deliverable is not ready and capable of passing the Transition Tests by the relevant Transition Milestone (as such Transition Milestone may be extended in accordance with **clause 4.4.4.1** above); or

4.5.1.2. the Service Provider is not otherwise ready to commence performing the Services on the Commencement Date (and the same is not excused pursuant to **clause 23** (Force

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Majeure) of the **Main Agreement** or **clause 10.2** (Excused Performance) of the **Main Agreement**,

then:

4.5.1.3. if Service Level Credits apply against such Transition Deliverable in accordance with **Schedule C** (Service Levels) then the Service Level Credits will be payable by Service Provider to SARS in accordance with **clause 4.5.2**; or

4.5.1.4. if a Service Level Credit does not apply, then, without limiting SARS' other rights under this Agreement, Service Provider will reimburse SARS for any reasonable costs that are incurred by the SARS as a direct result of such delay, provided that:

(i) SARS uses Commercially Reasonable Efforts to minimise such costs; and

(ii) SARS reasonably demonstrates such incremental costs; and

in either case, Service Provider will provide such additional resources as are reasonably necessary to complete the same as soon as possible thereafter.

4.5.2. In respect of Service Level Credits payable pursuant to **clause 4.5.1.3** above:

4.5.2.1. the Service Provider recognises that its failure to deliver the Transition Deliverable may have a material adverse impact on SARS and that the damage from such failure is not susceptible of precise determination and the Parties agree that Service Level Credits, are reasonable pre-estimates of the SARS' loss and are liquidated damages and not penalties; and

4.5.2.2. any Service Level Credit that is payable will be reflected on and will apply as an actual credit to the Charges in the month after the month in which the Service Level Credit was incurred.

5. TRANSITION MANAGEMENT

5.1. Transition Managers

5.1.1. Both Parties will use Commercially Reasonable Efforts to ensure that any Transition issues or disputes are resolved promptly by the Service Provider Transition Manager and SARS Transition Manager, but any disputes that cannot be resolved will be escalated in accordance with the Dispute Resolution Procedure.

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5.1.2. From not later than 5 (five) days after the Effective Date until completion of Transition, Service Provider will establish and provide a transition project office led by the Service Provider Transition Manager, with a transition team sufficiently staffed and experienced to manage the Transition Services.

5.2. Managing and Monitoring Transition

5.2.1. Service Provider will be responsible for managing, monitoring and implementing Transition, including:

5.2.2. proactively identifying, monitoring and managing any significant risks or issues in relation to Transition, including:

(i) developing a risk mitigation plan for risks identified through Transition;

(ii) instituting formal risk mitigation strategies;

(iii) taking appropriate preventive measures;

(iv) developing contingency plans for rapid recovery from actual or potential incidents;

5.2.2.1. managing (including project managing), co-ordinating and planning all aspects of Transition (whether performed by Service Provider, SARS or any Third Party);

5.2.2.2. monitoring progress of all Transition tasks and responsibilities (whether the responsibility of Service Provider, SARS or any Third Party) against the Transition Plan and promptly escalating to SARS any failures (or potential failures) to perform any tasks or responsibilities within agreed timelines, including failures by SARS or Third Parties;

5.2.2.3. Resolving any incidents or problems arising with respect to Transition;

5.2.2.4. defining an escalation process to be used if there is a failure in any part of Transition;

5.2.2.5. establishing as soon as practicable, the necessary communications and interfaces between Service Provider, SARS, Third Parties performing services that will be replaced by the Services on the Commencement Date and the Subcontractors; and

5.2.2.6. where workshops are needed as a tool to deliver Transition, initiating, administering and leading the workshops (including providing SARS with advance notice of the timing, location and proposed agenda for such workshops as appropriate).

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5.2.3. Service Provider's management and implementation of Transition will be subject to SARS' approval (not to be unreasonably withheld) and reasonable directions. SARS may, at its option, monitor, test and otherwise participate in the Transition.

5.3. Reports

Service Provider will provide detailed weekly progress reports to SARS during Transition that describe the following:

5.3.1. an executive level summary of the Transition progress to date, including an updated summary project plan and project highlights;

5.3.2. an updated Gantt chart detailing the status of all Transition activities;

5.3.3. a listing of all Transition Milestones, including estimated time to completion, days overdue, contracted completion date, actual completion date and comments and a RAG report;

5.3.4. a listing of all unresolved issues related to the execution of the Transition Plan, including those for which SARS has primary responsibility, along with due date, priority, responsible party, and an assessment of the potential and actual business impact and the Transition Plan; and

5.3.5. specifies any risks identified in accordance with **clause 5.2.2** above and the steps being taken to mitigate such risks.

5.4. Meetings

The Service Provider and SARS Transition Managers will meet on a weekly basis (or as otherwise required by SARS) during Transition to review the status of Transition and to ensure that the objectives of Transition are being met.

6. SERVICE MANAGEMENT SERVICES

6.1. Scope

As part of Server Support Services, the Service Provider will perform all of the Service Management Services in respect of the Server Supported Hardware as provided in this **Schedule B-S** (Server Support Services SOW), except solely to the extent expressly supplemented, modified or omitted below in this **clause 6.** Unless otherwise expressly provided in any sub-clause of this **clause 6**, the obligations of the Service Provider specified

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below are in addition to those set forth in **Schedule B** (Service Management Services SOW) (and not in reduction of, or in lieu of, any such obligations).

6.2. Incident Management Services

The Incident Management Services provided by the Service Provider relating to Server Supported Hardware will include providing Second Level Support. The Service Provider will cooperate and coordinate with SARS Support Groups or Third Parties performing Third Level Support. The Service Provider will use Commercially Reasonable Efforts to manage the relevant Third Party though to resolution of the Incident, including keeping SARS informed of status and escalating within SARS pursuant to procedures to be agreed upon and included in the Process and Procedures Library.

6.3. Break-fix services

6.3.1. Service Provider will be responsible for providing Break-fix services for Server Supported Hardware and Server Supported Software in accordance with **clause 7** of **Schedule B** (Service Management Services SOW).

6.3.2. Notwithstanding the provisions of **clause 6.3.1** above, unless otherwise approved by the SARS Operational Change Management Procedure, Service Provider must perform all Server Supported Hardware Break-fix activities at the first opportunity outside business hours following the report of a Server-related Incident to the Service Provider.

6.4. IMACD services

6.4.1. The Service Provider will be responsible for providing IMACD services for Server Supported Hardware and Server Supported Software in accordance with **clause 8** of **Schedule B** (Service Management Services SOW).

6.4.2. Notwithstanding the provisions of **clause 6.4.1,**:

6.4.2.1. unless otherwise approved by the SARS Operational Change Management Procedure, Service Provider must perform all Server Supported Hardware IMACDs outside business hours;

6.4.2.2. in the event that SARS does not have a back-up which is acceptable to SARS of the latest data on the Server, the Service Provider must back up all data residing on the Server; and

6.4.2.3. Adds and Changes that a reasonably skilled and experienced IT service provider using best

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practices should be able to complete within 1 (one) hour, excluding travel time, of SARS's request will be regarded as Adds and Changes respectively and will be charged at the applicable rates set out in **Schedule D** (Charges, Invoicing and Payments). Other Adds and Changes for Servers will be charged as Projects.

7. ADDITIONAL MAINTENANCE SERVICES

7.1. Introduction

Service Provider will provide the additional maintenance services described in this **clause 7** in respect of all items of Server Supported Hardware regardless of whether such items are Devices for purposes of **Schedule D** (Charges, Invoicing and Payments).

7.2. Cleaning of Server Supported Hardware

Whether as part of Resolving an Incident or other Server Support Services, any time Service Provider Personnel are physically present with Server Supported Hardware, the Service Provider Personnel will perform reasonable cleaning of the interior and exterior of such Server Supported Hardware as a preventative measure, including removing dust from internal parts.

7.3. Unauthorised Hardware and Unlicensed Software

If, in the provision of the Server Support Services, the Service Provider discovers potentially unauthorised hardware, unauthorised Software or unlicensed Software in the Server Environment, the Service Provider will promptly alert SARS of such findings. If required by SARS, the Service Provider will remove such hardware or Software from the Server Environment (which activity will be regarded as an IMACD).

7.4. Faulty Hardware and Faulty Software

If, in the provision of the Services, the Service Provider discovers faulty Server Supported Hardware or faulty Software residing on or used in connection with Server Supported Hardware, the Service Provider will log such fault as an Incident as of the time such fault was discovered.

7.5. Reimaging and Re-installation of Operating System

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If requested by authorised SARS Personnel, the Service Provider will re-image any particular Server Supported Hardware. As part of any re-imaging, the Service Provider will install the latest image provided by SARS, including patches and interim patches. If no such image is provided by SARS, then after authorisation by SARS, the Service Provider will install the operating system designated by SARS. In any event, the Service Provider must obtain permission from the SARS DML prior to such installation. If such re-imaging or re-installation of the operating system is necessary as part of Resolving an Incident, it will be at no additional charge; otherwise, it will be charged as an IMACD.

7.6. Courier Services

Service Provider will perform courier services for the transport of Supported Hardware, but only after Service Provider has received SARS' approval. Any such courier services will be performed on a Time and Materials Basis, or, at SARS' election, as a Project.

7.7. Warranty Claims

As part of the additional maintenance services, the Service Provider will be responsible for pursuing in a timely fashion all available warranty claims, returns or services under applicable manufacturers or licensor's warranty in respect of the Server Supported Hardware. Without limiting the generality of the foregoing, the Service Provider will coordinate the warranty service for whole units of Server Supported Hardware and components of Server Supported Hardware that fail and are under warranty with the applicable manufacturer, including, where applicable, returning faulty units or parts to the manufacturer, providing Whole Unit Spares or Parts on loan during any interim before the replacement items to be furnished by the manufacturer under warranty are received, receiving the replacement items, installing the replacement items, verifying and taking remedial action as necessary so that the replacement items operate properly.

7.8. Notification to SARS of Inactive Server Supported Hardware

Service Provider must notify SARS, by logging an Incident, upon becoming aware of items of Server Supported Hardware that are not in active service (including following a refresh).

7.9. Unlicensed Software

The Service Provider will only deploy software on the Supported Hardware if the software is properly licensed by SARS. Authorisation from the SARS DML will be a sufficient

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determination that SARS is licensed for the Service Provider to proceed with the deployment of software so authorised by the SARS DML. As required by SARS, Service Provider will provide a report of all licensable Software the Service Provider has deployed on SARS Supported Hardware.

7.10. Coordinating Visits

Service Provider will not make an unscheduled onsite visit to SARS' premises to follow up on an Incident affecting the Server Environment without first coordinating with the SARS Personnel who logged the Incident and arranging for the on-site visit.

7.11. Server Supported Hardware Enhanced Support

7.11.1. Service Provider will use resources permanently assigned to the account to perform the activities described in this **clause 7.11** in respect of Server Supported Hardware SARS Sites specified by SARS, in the following circumstances, and subject to SARS' giving reasonable notice:

7.11.1.1. disaster recovery testing support, (including any scheduled 'all hands-on deck' events declared by SARS);

7.11.1.2. support before and following building 'power-downs' and 'power-ups';

7.11.1.3. support as relates to an Extraordinary Event;

7.11.1.4. support in returning to the former functionality to affected Server Supported Hardware following an Extraordinary Event or disaster affecting the Server Environment;

7.11.1.5. Virus Incidents affecting the Server Environment; and

7.11.1.6. Security Incidents affecting the Server Environment.

7.11.2. In addition, Service Provider will provide Server Supported Hardware Enhanced Support for the following planned events upon SARS' reasonable request:

7.11.2.1. the relocation of all or a large part of an operational unit at a SARS Site to a new location;

7.11.2.2. other planned material changes to the Server Environment; or

7.11.2.3. other SARS business-related events requiring enhanced levels of readiness.

7.11.3. Server Supported Hardware Enhanced Support will involve:

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7.11.3.1. providing additional personnel to walk the floor and monitor the Server Environment so as to ascertain that the Server Environment is stable and to resolve Incidents that arise; and

7.11.3.2. any other support reasonably requested by SARS.

7.11.4. Server Supported Hardware Enhanced Support will be provided for the period of time (and during the hours) reasonably determined by SARS on a case-by-case basis.

7.11.5. Where additional resources are required for the provision of Server Supported Hardware Enhanced Support:

7.11.5.1. senior representatives from both Parties will attempt to prioritise the demands made on existing personnel (including both dispatch and dedicated staff) to cover such situation; and

7.11.5.2. if the senior representatives from both Parties agree to reassign existing resources from other assignments to cover the Server Supported Hardware Enhanced Support, failure to meet the Service Levels for the Services being performed prior to such reassignment may be waived by SARS to the extent agreed in advance by the Parties until the Server Supported Hardware Enhanced Support is completed; or

7.11.5.3. the Parties may agree that the Service Provider will be compensated for such additional resources on a Time and Materials Basis.

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APPENDIX B-S-1: SERVER SUPPORT SERVICES TRANSITION PLAN

[Note to Bidder: this will be populated during contract finalisation with the Bidder's transition plan as submitted in the Bidder's proposal]

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APPENDIX B-S-2: SERVER SUPPORT SERVICES DEPENDENCIES

[Note to Bidder: SARS is seeking an end-to-end solution and disfavours solutions which shift responsibilities back to SARS. With this in mind, please identify any dependencies on which the charges or any of the Bidder's Proposal responsibilities may depend.

The Bidder must identify these dependencies in the contract mark-ups and those of a technical nature in the technical templates. The final contract will contain the dependencies as populated from the Bidder's response.]

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APPENDIX B-S-3: SERVER SUPPORT SERVICES REPORTS

[Note to Bidder: this will be populated during contract finalisation with the report specification as submitted in the Bidder's proposal]

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APPENDIX B-S-4: CONTRACT OBLIGATIONS TRACKER

[Note to Bidder: this will be populated during contract finalisation Service Provider and SARS personnel contact details]

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APPENDIX B-S-5: SERVER SUPPORT SERVICES THIRD PARTY SERVICE CONTRACTS

[Note to Bidder: this will be populated during contract finalisation]

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APPENDIX B-S-6: SERVER SUPPORT SERVICES SARS PROVIDED HARDWARE

[Note to Bidder: this will be populated during contract finalisation with specifications as submitted in the Bidder's proposal]

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APPENDIX B-S-7: SERVER SUPPORT SERVICES SARS IP LICENSED TO SERVICE PROVIDER

[Note to Bidder: this will be populated during contract finalisation with specifications as submitted in the Bidder's proposal]

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APPENDIX B-S-8: SERVER SUPPORT SERVICES SARS FACILITIES AVAILABLE FOR SERVICE PROVIDER PERSONNEL

[Note to Bidder: this will be populated during contract finalisation with facilities space as documented in the Business Requirements Specification]

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APPENDIX B-S-9: SERVER SUPPORT SERVICES SERVICE PROVIDER PROVIDED HARDWARE AT THE EFFECTIVE DATE

[Note to Bidder: this will be populated during contract finalisation with information as submitted in the Bidder's proposal]

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APPENDIX B-S-10: SERVER SUPPORT SERVICES REQUIRED ACCREDITATIONS FOR SERVICE PROVIDER PERSONNEL

[Note to Bidder: this will be populated during contract finalisation with requirements as listed in the Business Requirements Specification and as submitted in the Bidder's Proposal]

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APPENDIX B-S-11: SERVER SUPPORT SERVICES FLOWCHARTS

[Note to Bidder: this will be populated during contract finalisation with flowcharts from the Business Requirements Specification]

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APPENDIX B-S-12: SERVER SUPPORT SERVICES SITE LIST AND APPLICABLE SERVICE LEVELS

[Note to Bidder: this will be populated during contract finalisation with the site list as updated from the Business Requirements Specification]

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APPENDIX B-S-13: SERVER SUPPORT SERVICES SUPPORTED HARDWARE

[Note to Bidder: this will be populated during contract finalisation with the equipment list as updated from the Business Requirements Specification]

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APPENDIX B-S-14: SERVER SUPPORT SERVICES SUPPORTED SOFTWARE

[Note to Bidder: this will be populated during contract finalisation with the equipment list as updated from the Business Requirements Specification]

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SCHEDULE C SERVICE LEVELS

APPENDICES AND ATTACHMENTS

Appendix C-S-1	Server Support Services Service Levels
Appendix C-S-2	Server Support Services Allocations of Weighting Factor Points as of the Effective Date
Appendix C-S-3	Server Support Services Process Flow Diagrams

[Note to Bidder: only reference(s) to applicable Appendices will be included in finalisation of the contract depending on the award made to the successful Bidder(s)]

1 INTRODUCTION

1.1 General

1.1.1. This **Schedule C** (Service Levels) and its Appendices set out the Service Levels that will apply during the Term and the method for calculating any Service Level Credits that may apply if the Service Provider fails to perform the Services in accordance with such Service Levels.

1.1.2. **Appendix C-S-1** sets out the Service Levels and Critical Deliverables that apply specifically to the Server Support Services and Server Support Services Transition.

1.1.3. **Appendix C-S-2** sets out the Weighting Factor Points allocated by SARS as of the Effective Date to the Server Support Services Service Levels.

1.1.4. The methods and Service Levels set forth in this **Schedule C** (Service Levels), and its Appendices will be used to measure the Service Provider's performance of the Services. During the Term, new Service Levels may be added or substituted by agreement between the Parties in order to achieve a fair, accurate, and consistent measurement of the Service Provider's performance of the Services. For example, such additions or substitutions may occur in conjunction with changes to the environment and the introduction of new Hardware or Software or means of service delivery; provided, however, that where such Hardware or Software or means of service delivery is a replacement or upgrade of existing technology, there will be a presumption of equivalent or improved performance.

1.1.5. The Service Provider will monitor its performance of the Services with respect to the Service Levels on a continuous basis.

1.1.6. The Service Provider will measure and report on its performance of the Services with respect to the Service Levels as set out in this **Schedule C** (Service Levels).

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1.1.7. In the event of SARS disputing the accuracy of the Service Level Reports produced by the Service Provider, reports produced by SARS from the SARS Service Management System will be regarded as correct unless Service Provider can prove to the contrary.

1.2 Service Levels

1.2.1. The Service Provider will perform the Services in accordance with the Service Levels from the Commencement Date.

1.2.2. From the Commencement Date, the Service Provider will perform the services that were performed by or provided to SARS prior to the Effective Date, and which correspond to the Services, in accordance with this **Schedule C** (Service Levels) and with at least the same degree of accuracy, completeness, efficiency, quality, responsiveness and timeliness as was provided prior to the Effective Date unless otherwise specifically provided for in this Agreement. Without limiting the provisions of the **Main Agreement**, the Service Provider will perform the Services (i) to industry leading levels of performance; (ii) promptly, using reasonable skill and care and in a professional and workmanlike manner; and (iii) in accordance with any other Performance Standards specified in the Agreement.

1.3 Changes in Service Levels

Annually by the anniversary of the Commencement Date, SARS and the Service Provider will review the Service Levels and will make adjustments to them as appropriate to reflect improved performance capabilities associated with advances in the technology and methods used to perform and / or deliver the Services. The Parties expect and understand that the Service Levels will be improved from SARS' perspective over time.

1.4 Service Level Class; Service Coverage Period

1.4.1. The Service Levels associated with Device-based services are defined in terms of their designation, being one of, Platinum, Gold, Silver or Bronze (the "**Service Level Class**") which generally defines the time period (the "**Time to Resolve**") within which a Device must be Resolved from the time of reporting an Incident to the Service Provider, as defined in the table below in this **clause 1.4.1**, SARS will assign a Service Level Class to each SARS Site and each Device registered to that SARS Site will be deemed to have been assigned that Service Level Class. SARS may change such designations during the Term as provided in **clause 2** of **Appendix D-S** (Server Support Services Charges) for the Server Devices in the event that a SARS Site or Device has not been assigned a Service Level Class, then a Bronze Service Level Class will be presumed to have been assigned.

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Service Level Class	Time to Resolve
Gold	An Incident affecting a Device classified as Gold must be resolved within 4 hours of it being reported to the Service Provider, where only the hours of the Service Coverage Period applicable to the Device are counted.
Silver	An Incident affecting a Device classified as Silver must be resolved within 8 hours of it being reported to the Service Provider, where only the hours of the Service Coverage Period applicable to the Device are counted.
Bronze	An Incident affecting a Device classified as Bronze must be resolved within 16 hours of it being reported to the Service Provider, where only the hours of the Service Coverage Period applicable to the Device are counted.

1.4.2. SARS may not assign a Service Level to a SARS Site: (i) if the SARS Site is not classified as a Metro site; and (ii) if SARS has not provided seating space for Service Provider technical personnel at the SARS Site.

1.4.3. Each Device also has one of several service coverage periods (each, a "**Service Coverage Period**") designated as the period of time during which Service Levels are to be measured regarding the Service Provider's provision of the Services for that Device. The Service Coverage Periods are set forth below; SARS will assign a Service Coverage Period to each SARS Site and each Device registered to that SARS Site will be deemed to have been assigned that Service Coverage Period Class. If no Service Coverage Period is specified for a SARS Site or a Device, Service Coverage Period of Basic will be deemed to be assigned. SARS may change such designations as provided in; **Appendix D-S** (Server Support Services Charges) for the Server Devices.

Service Coverage Period	Period
WFH	**07h00 to 17h00 on weekdays excluding public holidays and weekends**
Basic	06h00 to 19h00 on weekdays regardless of whether the weekday falls on a public holiday or not.
Standard	06h00 to 21h00 on all days, including Saturdays, Sundays and public holidays.
Extended	06h00 to 24h00 on all days, including Saturdays, Sundays and public holidays.
Premium	24X7

1.4.4. In the event that the Service Provider is required to perform Break-fix services for a Device at a SARS Site that is not the SARS Site at which the Device is registered, the Service Level Class and the Service Coverage Period of the SARS Site at which the Break-fix services are performed will apply to the Device if they are less stringent from the Service Provider's perspective than the Service Level Class and the Service Coverage Period of the SARS Site at which the Device is registered.

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1.4.5. The Service Level Class and the Service Coverage Period assigned to a SARS Site at the Effective Date are set out in **Appendix B-S-12** (Server Support Services Site List and Applicable Service Levels)

1.4.6. SARS may change the assignment of either a Service Level Class or Service Coverage Period, or both, to a SARS Site, with 60 (sixty) days' written notice to the Service Provider. At the start of the month following the expiry of the notice period, the new Service Levels will be in effect, and the Charges will be adjusted to reflect the new Service Levels.

1.5 Status of Service Level Credits

1.5.1. The following will apply in respect of "Service Level Credits":

1.5.1.1 The Service Level Credits are a price adjustment for the relevant period to reflect the reduced level of Service performed by Service Provider. For the sake of clarity, Service Level Credits are not an estimate of the loss or damage that may be suffered by SARS as a result of the Service Level Failure.

1.5.1.2 The payment of a Service Level Credit by the Service Provider is without prejudice to, and does not limit, any right SARS may have to terminate this Agreement and/or seek damages or other non-monetary remedies at law or in equity resulting from, or otherwise arising in respect of, such Service Level Failure and/or any resulting termination.

1.5.2 Notwithstanding the provisions of **clauses 1.5.1.1** and **clause 1.5.1.2** above, any claim for loss and/or damages resulting from such Service Level Failure, in respect of which a Service Level Credit has already been paid, will be reduced by the amount of that Service Level Credit.

2 PERFORMANCE AGAINST SERVICE LEVELS

2.1 Measurement

2.1.1 Except as otherwise set out in the description of the individual Service Level, the Service Provider's performance with respect to the Service Levels shall:

2.1.1.1 be measured by the Service Provider from the Commencement Date; and

2.1.1.2 be measured against the Service Provider's actual performance of the Services against the Service Levels, not merely a sampling of its performance of such Services.

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2.1.2 Except as otherwise specifically provided herein, the Service Provider will be responsible for monitoring, measuring and reporting on performance in order to apply the Service Levels, including the provision, installation and support of any automated Tools required or appropriate for such purpose. In the case of Tools used for monitoring, measuring and reporting the Supported Asset Service Levels, such Tools must be approved in advance by SARS. The Service Provider will provide, deploy, implement, and make operational a Service Level measurement system that will collect, calculate and report data as required to determine the Service Provider's compliance with each of the Service Levels. Such Tools:

2.1.2.1 will include those specified in the **Appendices** to this **Schedule C** (Service Levels), and any change that would have a material adverse impact on the functionality of such Tools, or otherwise have a material adverse impact on SARS, will be subject to SARS' approval;

2.1.2.2 will be automatic and/or electronic, to the extent technically feasible and commercially reasonable. The Service Provider acknowledges and agrees that such Tools may evolve over time as Tools become available in the marketplace that improve the measurement of performance;

2.1.2.3 will be acquired, implemented and maintained at the Service Provider's own cost and expense; and

2.1.2.4 will report at a level of detail sufficient to verify compliance with the Service Levels.

2.1.3 SARS will have the right to perform an audit on the Tools described above in clause 2.1.2 above in accordance with clause 25 (Audits) of the Main Agreement to determine whether the Tools are operating and functioning properly; provided however that if SARS reasonably believes that the Service Provider may be in breach of the provisions of this clause, SARS may promptly initiate an audit of the Tools on reasonable notice to the Service Provider.

2.1.4 The Service Level measurement system implemented by Service Provider will be documented as part of the Process and Procedures Library and will include the following information regarding a Service Level Failure:

2.1.4.1 the nature of the Service Level Failure;

2.1.4.2 the specific Service or Services that are impacted;

2.1.4.3 the start time and date of all Service Level Failures;

2.1.4.4 the time at and date on which Service is fully restored;

2.1.4.5 the root cause of the Incident or other event that gave rise to the Service Level Failure;

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2.1.4.6 the impact of the Service Level Failure on other components of the Services and associated trend analyses; and

2.1.4.7 a summary of the steps the Service Provider has taken to determine the root cause of the Service Level Failure, the steps the Service Provider has taken to restore Service, and the steps the Service Provider has taken to reduce, to the extent reasonably possible, the likelihood of such Service Level Failure being repeated.

2.2 Time Periods

Except as otherwise specified:

2.2.1 all references to hours will be to actual hours during a calendar day and not to business hours;

2.2.2 all references to time will be to local time at the site at which the Service is being received; and

2.2.3 all references to days, months and quarters will be to calendar days, calendar months and calendar quarters, respectively.

2.3 Actions on Failures

2.3.1 In respect of any Service Level Failure, the Service Provider shall:

2.3.1.1 investigate, assemble, and preserve pertinent information with respect to, and report on the causes of, the Incident, including performing an appropriate root cause analysis of each Incident which led to the Service Level Failure;

2.3.1.2 propose and execute a written corrective action plan in accordance with **clause 3.4.3** of **Schedule B** (Service Management Services SOW);

2.3.1.3 advise SARS of the status of remedial efforts being undertaken with respect to such Incident. In this respect, the Service Provider will track the status of such remedial efforts and make available such progress information to SARS through an electronic on-line tool;

2.3.1.4 minimise the impact of the Incident, correct it, and resume meeting the Service Level as soon as possible once it is corrected;

2.3.1.5 except where a higher standard applies under **Schedule B** (Service Management Services SOW), take the necessary Commercially Reasonable Efforts to employ preventive measures so that the Incident does not recur, including allocating additional personnel and

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resources to the performance of the Services and proposing changes to the procedures it uses to perform the Services.

2.3.2 The Service Provider will, on a monthly basis, perform trend analysis on the Service Level performance data. If the Service Provider or SARS identifies a trend in Service Level performance which reasonably indicates a meaningful risk of a future Service Level Failure, then the Service Provider will perform a root cause analysis with respect to the trend, report to SARS on its findings. The Service Provider will use Commercially Reasonable Efforts (as approved by SARS) to prevent the Service Level Failure from occurring.

2.4 Reporting

2.4.1 The Service Provider will issue a report (the "Service Level Report") after the end of each month during the Term, which report will contain the quantified performance of the Service Provider for the month with respect to all the Service Levels as defined in this **Schedule C** (Service Levels). The Service Level Report must be presented to SARS on or before the sixth (6) business day after the end of the month being reported upon.

2.4.2 If Service Provider fails to monitor, measure or report on Service Level Performance for a Weighting Factor Based Service Level, as listed in **clause 3.3.2** below so that it is not possible to confirm accurately whether the Service Level has been achieved for a particular month within ten (10) business days after last day of such month, then Service Provider will be deemed to have failed the Service Level for that Weighting Factor Based Service Level.

2.4.3 As part of the monthly Service Level Report required pursuant to **clause 2.4.1**, above, the Service Provider will provide SARS with a set of soft-copy Reports, together with supporting information regarding the Service Provider's performance against the Service Levels.

3 SERVICE LEVEL CREDITS

3.1 Entitlement to Service Level Credits

3.1.1 Subject to **clause 3.4** below for each Service Level Failure occurring during the Term the Charges for the month following the month in which the Service Level Failure occurred will be reduced by the Service Level Credits calculated in accordance with **clause 3.3** below.

3.1.2 In no event will the total amount of the Service Level Credits payable to SARS with respect to Service Level Failures in a month exceed the At-Risk Amount calculated with respect to such month.

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3.1.3 If:

3.1.3.1 a single triggering event directly causes two (2) or more Service Level Failures in any month; and

3.1.3.2 but for such event, none of such Service Level Failures would have occurred,

3.1.4 then SARS will be entitled to receive only a single Service Level Credit (selected by SARS) and Service Level Credits will not apply to the other Service Level Failures attributed to the single triggering event.

3.2 Weighting Factors

3.2.1 Subject to **clause 3.2.3** below, SARS will apportion Weighting Factors against all or some of the Service Levels from time to time. The initial apportionment of Weighting Factors as of the Effective Date is set out in **Appendix C-S-2** Following the Commencement Date, SARS may change the apportionment of Weighting Factors in accordance with **clause 3.2.2**.

3.2.2 Subject to **clause 3.2.3** below, SARS may change the allocation of Weighting Factors of the Service Levels by giving Service Provider notice of such change, with each such change effective on the first day of the first calendar month that begins 90 (ninety) or more days after the date the notice is given. SARS may give only 1 (one) such notice in any 90 (ninety) day period, although there will be no limit on the number of changes made in any one notice.

3.2.3 In no event shall:

3.2.3.1 the Weighting Factor applied by SARS against any single Service Level exceed 50 (fifty) percentage points;

3.2.3.2 the aggregate Weighting Factors applied by SARS against all of the Service Levels relating to the Services exceed 150 (one hundred and fifty) percentage points.

3.3 Calculation of Service Level Credits

3.3.1 Each of the Service Levels set out in this **Schedule C** (Service Levels) and its Appendices constitutes a single Service Level, even if it has multiple metrics. Service Provider must satisfy each metric making up a Service Level with multiple metrics in order to satisfy the Service Level as a whole; and if the Service Provider fails any single metric, Service Provider will be deemed to have failed the entire Service Level.

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3.3.2 Weighting Factor Based

For each of the following Service Levels (in respect of which Service Level Credits are determined by reference to Weighting Factors), Service Level Credits will be calculated in accordance with this **clause 3.3.2**:

3.3.2.1 **Appendix C-S-1 clause 1**;

3.3.2.2 **Appendix C-S-1 clause 2**;

3.3.2.3 **Appendix C-S-1 clause 3**;

3.3.2.4 **Appendix C-S-1 clause 4**;

3.3.2.5 **Appendix C-S-1 clause 5**;

3.3.2.6 **[Note to Bidder: only reference(s) to applicable clauses will be included in finalisation of the contract depending on the award made to the successful Bidder(s)]**

3.3.3 For each Service Level Failure to which **clause 3.3.2** applies, the applicable Service Level Credit payable by Service Provider to SARS will be equal to an amount calculated by multiplying:

3.3.3.1 the Weighting Factor for such Service Level, by

3.3.3.2 the At-Risk Amount in respect of the Services for the month in which the Service Level Failure occurred.

3.3.4 Event- and Device-based Service Levels

3.3.4.1 For each of the following Service Levels (in respect of which Service Level Credits are determined on a device or per-event basis) the method of calculating the Service Level Credit is contained in the definition of the Service Level:

(i) **Appendix C-S-1 clause 6;**

(ii) **Appendix C-S-1 clause 7;**

(iii) **Appendix C-S-1 clause 8;**

(iv) **Appendix C-S-1 clause 9;**

(v) **Appendix C-S-1 clause 10**;

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3.3.4.2 **[Note to Bidder: only reference(s) to applicable clauses will be included in finalisation of the contract depending on the award made to the successful Bidder(s)]**

3.3.4.3 The applicable Service Level Credit payable by Service Provider to SARS is contained in the definition of the Service Level itself.

3.3.5 Regardless of whether the method of calculating Service Level Credits described in **clause 3.3.2** or **clause 3.3.4** above applies, all Service Level Credits will be applied against the first monthly invoice following the month in which the Service Level Failure(s) occurred. Service Level Credits arising in respect of the last month of the Term will be withheld out of the final payment due.

3.4 **Excused Performance**

3.4.1 Subject to **clause 3.4.2** where the Service Provider can establish to the reasonable satisfaction of SARS that:

3.4.1.1 the cause of its failure to achieve a Service Level was a factor or factors outside of the reasonable control of the Service Provider; the Service Provider would have achieved such Service Level but for such factor(s);

3.4.1.2 the Service Provider used Commercially Reasonable Efforts to perform and achieve that Service Level notwithstanding the presence and impact of such factor(s); and

3.4.1.3 the Service Provider is without fault in causing such factor(s);

3.4.2 no Service Level Credit will be assessed against the Service Provider for any resulting Service Level Failure and the Service Provider will otherwise be excused from achieving such Service Level for as long as the circumstances relating to such factor(s) and preventing achievement of such Service Level prevail and the Service Provider continues to use its Commercially Reasonable Efforts to prevent, overcome and mitigate the adverse effects of such factor to the extent required to achieve the applicable Service Level.

3.4.3 In the case of Device based Service Levels, as specified in **clause 3.3.4**, where the Service Provider can establish to the reasonable satisfaction of SARS that:

3.4.3.1 the cause of its failure or the extent to which it failed to achieve a Service Level was a factor or factors outside of the reasonable control of Service Provider;

3.4.3.2 the Service Provider would have achieved such Service Level or would not have failed the Service Level to the same extent that it did but for such factor(s);

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3.4.3.3 the Service Provider used Commercially Reasonable Efforts to perform and achieve that Service Level notwithstanding the presence and impact of such factor(s); and

3.4.3.4 the Service Provider is without fault in causing such factor(s); the Service Level Credit will be reduced by the extent to which such factors satisfying all of the condition (a), (b), (c) and (d) have affected the Service Level Credit.

3.4.4 Without limiting the generality of **clause 3.4.1** above, in the event that the Supported Hardware is owned by SARS, and, contrary to the Service Provider's written recommendation, SARS elects not to refresh such hardware before its end of support life, and such election is the actual, direct cause of the Service Provider's failure to meet a Service Level (and provided the other criteria set out in **clause 3.4.1** below are satisfied), Service Provider will be excused to such extent for such Service Level Failure (including corresponding Service Level Credits to such extent).

4 MISCELLANEOUS

4.1 General Clauses

Descriptions of each of the Service Levels in the 'General' clauses in the Appendices to this **Schedule C** (Service Levels) are intended to summarise each Service Level and will be subject to the full description of the Service Level set out in the remainder of the relevant clause.

4.2 Small Populations

4.2.1 Notwithstanding the definitions of Weighting Factor Based Service Levels (as listed in clause 3.3.2) and their associated metrics where a specified minimum percentage of a population of items or events must comply with a specified condition in order for a Service Level metric to have been met,

4.2.2 where the population of items or events consists of 5 (five) or more items or events, if only one (1) item or event out of the population does not comply with the specified condition the Service Level metric will be deemed to have been met; and where the population of items or events consists of fewer than 5 (five) items or events, the Service Level metric will be deemed not to have been met if one (1) or more item or event out of the population does not comply with the specified condition.

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APPENDIX C-S-1

SERVER SUPPORT SERVICES SERVICE LEVELS

1 TIME TO RESOLVE SERVER INCIDENTS (BRONZE) SERVICE LEVEL

1.1 General

The Time to Resolve Server Incidents (Bronze) Service Level measures the time, during the applicable Service Coverage Period, from the time that an Incident affecting or relating to a Supported Server with a support level designation of Bronze is reported to Service Provider by SARS to the time that Service Provider Resolves the Incident across all such incidents and determines compliance to the requirement for the Service Level. An Incident that Service Provider knows of (or should have known of) before it is reported by SARS will be treated as if it were reported by SARS to the Service Provider at the moment it is detected. If an item comprising the Server Environment is not classified, the bronze support level will apply to it.

1.2 Calculation and Definitions

The Time to Resolve Server Incidents (Bronze) Service Level metric is stated as a percentage and is calculated as follows:

Time to Resolve Server Incidents (Bronze) Service Level = $\frac{B+C}{A} \times 100$

where:

A =	the number of Incidents related to the Server Environment for Servers designated as having a support level of Bronze that were validly assigned to the Service Provider for resolution that were placed in a Terminal State (i.e. “Closed” by SARS or “Cancelled” by SARS) during the month.
B =	the number of Incidents described in ‘**A**’ above which were Resolved within the Time to Resolve, as determined by the Device’s Service Level Class.
C =	the number of Incidents described in ‘**A**’ that have been deemed by SARS to have satisfied the criteria for Excused Performance.

1.3 Service Level Target

In the event that in a month the Time to Resolve Server Incidents (Bronze) Service Level does not meet the target condition in the table immediately below, such an event will constitute a Service Level Failure of the Time to Resolve Server Incidents (Bronze) Service Level.

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Service Level	Target
Time to Resolve Server Environment Incidents Service Level (Bronze)	≥ 95%

2 TIME TO RESOLVE SERVER INCIDENTS (SILVER) SERVICE LEVEL

2.2 General

The Time to Resolve Server Incidents (Silver) Service Level measures the time, during the applicable Service Coverage Period, from the time that an Incident affecting or relating to a Supported Server with a support level designation of Silver is reported to the Service Provider by SARS to the time that the Service Provider Resolves the Incident across all such incidents and determines compliance to the requirement for the Service Level. An Incident that the Service Provider knows of (or should have known of) before it is reported by SARS will be treated as if it were reported by SARS to the Service Provider at the moment it is detected.

2.3 Calculation and Definitions

The Time to Resolve Server Incidents (Silver) Service Level metric is stated as a percentage and is calculated as follows:

Time to Resolve Server Incidents (Silver) Service Level = $\frac{B+C}{A} \times 100$

where:

A =	the number of Incidents related to the Server Environment for Servers designated as having a support level of Silver that were validly assigned to the Service Provider for resolution that were placed in a Terminal State (i.e. “Closed” by SARS or “Cancelled” by SARS) during the month.
B =	the number of Incidents described in ‘**A**’ above which were Resolved within the Time to Resolve, as determined by the Device’s Service Level Class.
C =	the number of Incidents described in ‘**A**’ that have been deemed by SARS to have satisfied the criteria for Excused Performance.

2.4 Service Level Target

In the event that in a month the Time to Resolve Server Incidents (Silver) Service Level does not meet the target condition in the table immediately below, such an event will constitute a Service Level Failure of the Time to Resolve Server Incidents (Silver) Service Level.

Service Level	Target
Time to Resolve Server Environment Incidents Service Level (Silver)	≥ 95%

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3 TIME TO RESOLVE SERVER INCIDENTS (GOLD) SERVICE LEVEL

3.2 General

The Time to Resolve Server Incidents (Gold) Service Level measures the time, during the applicable Service Coverage Period, from the time that an Incident affecting or relating to a Supported Server with a support level designation of Gold is reported to the Service Provider by SARS to the time that the Service Provider Resolves the Incident across all such incidents and determines compliance to the requirement for the Service Level. An Incident that the Service Provider knows of (or should have known of) before it is reported by SARS will be treated as if it were reported by SARS to the Service Provider at the moment it is detected.

3.3 Calculation and Definitions

The Time to Resolve Server Incidents (Gold) Service Level metric is stated as a percentage and is calculated as follows:

Time to Resolve Server Incidents (Gold) Service Level = $\frac{B+C}{A} \times 100$

where:

A =	the number of Incidents related to the Server Environment for Servers designated as having a support level of Gold that were validly assigned to the Service Provider for resolution that were placed in a Terminal State (i.e. “Closed” by SARS or “Cancelled” by SARS) during the month.
B =	the number of Incidents described in ‘**A**’ above which were Resolved within the Time to Resolve, as determined by the Device’s Service Level Class.
C =	the number of Incidents described in ‘**A**’ that have been deemed by SARS to have satisfied the criteria for Excused Performance.

3.4 Service Level Target

In the event that in a month the Time to Resolve Server Incidents (Gold) Service Level does not meet the target condition in the table immediately below, such an event will constitute a Service Level Failure of the Time to Resolve Server Incidents (Gold) Service Level.

Service Level	Target
Time to Resolve Server Environment Incidents Service Level (Gold)	≥ 95%

4 TIME TO RESOLVE SERVER INCIDENTS (PLATINUM) SERVICE LEVEL

4.2 General

The Time to Resolve Server Incidents (Platinum) Service Level measures the time, during the applicable Service Coverage Period, from the time that an Incident affecting or relating to a Supported Server with a support level designation of Platinum is reported to the Service

Provider by SARS to the time that the Service Provider Resolves the Incident across all such incidents and determines compliance to the requirement for the Service Level. An Incident that the Service Provider knows of (or should have known of) before it is reported by SARS will be treated as if it were reported by SARS to the Service Provider at the moment it is detected.

4.3 Calculation and Definitions

The Time to Resolve Server Incidents (Platinum) Service Level metric is stated as a percentage and is calculated as follows:

Time to Resolve Server Incidents (Platinum) Service Level = $\frac{B+C}{A} \times 100$

where:

A =	the number of Incidents related to the Server Environment for Servers designated as having a support level of Platinum that were validly assigned to the Service Provider for resolution that were placed in a Terminal State (i.e. "Closed" by SARS or "Cancelled" by SARS) during the month.
B =	the number of Incidents described in '**A**' above which were Resolved within the Time to Resolve, as determined by the Device's Service Level Class.
C =	the number of Incidents described in '**A**' that have been deemed by SARS to have satisfied the criteria for Excused Performance.

4.4 Service Level Target

In the event that in a month the Time to Resolve Server Incidents (Platinum) Service Level does not meet the target condition in the table immediately below, such an event will constitute a Service Level Failure of the Time to Resolve Server Incidents (Platinum) Service Level.

Service Level	Target
Time to Resolve Server Environment Incidents Service Level (Platinum)	≥ 95%

5 TIME TO RESOLVE SERVER INCIDENTS (DIAMOND) SERVICE LEVEL

5.1. General

The Time to Resolve Server Incidents (Diamond) Service Level measures the time, during the applicable Service Coverage Period, from the time that an Incident affecting or relating to a Supported Server with a support level designation of Diamond is reported to the Service Provider by SARS to the time that the Service Provider Resolves the Incident across all such incidents and determines compliance to the requirement for the Service Level. An Incident that the Service Provider knows of (or should have known of) before it is reported by SARS will be treated as if it were reported by SARS to the Service Provider at the moment it is detected.

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5.2. Calculation and Definitions

The Time to Resolve Server Incidents (Diamond) Service Level metric is stated as a percentage and is calculated as follows:

Time to Resolve Server Incidents (Diamond) Service Level = $\frac{B+C}{A} \times 100$

where:

A =	the number of Incidents related to the Server Environment for Servers designated as having a support level of Diamond that were validly assigned to the Service Provider for resolution that were placed in a Terminal State (i.e. "Closed" by SARS or "Cancelled" by SARS) during the month.
B =	the number of Incidents described in '**A**' above which were Resolved within the Time to Resolve, as determined by the Device's Service Level Class.
C =	the number of Incidents described in '**A**' that have been deemed by SARS to have satisfied the criteria for Excused Performance.

5.2 Service Level Target

In the event that in a month the Time to Resolve Server Incidents (Diamond) Service Level does not meet the target condition in the table immediately below, such an event will constitute a Service Level Failure of the Time to Resolve Server Incidents (Diamond) Service Level.

Service Level	Target
Time to Resolve Server Environment Incidents Service Level (Diamond)	≥ 95%

6 INDIVIDUAL INCIDENT TIME TO REPAIR SERVICE LEVEL

6.1. General

The Individual Device Time to Repair Service Level measures compliance of individual Incident activities undertaken to restore a device to the requirements of the Service Level Class assigned to the Device.

The Service Provider is expected to comply with time to repair period as specified by the Service Level Class assigned to a Device in the event of an Incident affecting a Device. The Service Provider will have complied with the Individual Device Time to Repair Service Level, with respect to an Incident, if the time period taken by the Service Provider to restore the Device to working order from the time the Incident was reported to the Service Provider is equal to or less than the time specified by the Service Level Class assigned to the Device counting only the time falling into the Service Coverage Period assigned to the Device.

A Service Level Credit is payable, in respect of an Incident, by the Service Provider if the time period taken by the Service Provider to restore the Device to working order from the

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time the Incident was reported to the Service Provider is greater than the time specified by the Service Level Class assigned to the Device counting only the time falling into the Service Coverage Period assigned to the Device. The Service Level Credit is calculated as follows:

The Service Level Credit payable is equal to: **M/2 x [t *div* s]**

where:

M =	The monthly maintenance price for the Device that is the subject of the Incident.
t =	The number of hours during the Service Coverage Period from when the Incident was first reported until the time the Incident was Resolved.
s =	The number of hours within which the Incident is required to be Resolved.
div	Is the integer division operator

For example:

A Device has been designated a Service Level Class of Silver (meaning the Device must be restored within 4 hours) and a Service Coverage Period of Basic (06h00 to 19h00 on weekdays regardless of whether the weekday falls on a public holiday or not). The Device is reported as faulty at 16h00 and a Whole Unit Spare is deployed 20 hours later at 12h00 the following day). The number of elapsed hours during the Service Coverage Period is 9 hours. The Service Provider has not complied with the Service Level of 4 hours. The Service Level Credit is calculated as M/2 x [t div s] = M/2 x [9 div 4] = M/2 x 2 = M. The Service Level Credit is therefore equal to one time the monthly maintenance cost for the Device.

The Individual Device Time to Repair Service Level applies to all Incidents reported to the Service Provider for Devices for which have a monthly maintenance charge and are subject to the In-warranty, Out-of-warranty or Swap-out services.

7 GENERAL OBLIGATIONS SERVICE LEVEL

7.1 General

7.1.1 The “General Obligation Service Level” measures the Service Provider’s compliance with all the Service Provider’s obligations in this Agreement. The Service Provider is expected to adhere to all obligations and deliverables contracted for in the Agreement and upon the non-performance of any obligation or non-delivery of a specified deliverable within the timeframes specified in the Agreement, a Service Level Credit will be payable by the Service Provider. The General Obligations Service Level will not be met if:

7.1.2 SARS has given notice to the Service Provider, by delivering a written notice to the Service

Provider Account Executive of the fact that an obligation in the Agreement has not been performed; and

7.1.3 the Service Provider fails to perform the obligation within 14 (fourteen) days of SARS giving such notice to the Service Provider.

7.1.4 The provisions of this General Obligations Service Level and/or payment by the Service Provider of Service Level Credits with regard to the General Obligations Service Level does not in any manner limit any right or recourse SARS may have to enforce the performance of any obligation in this Agreement nor does it limit SARS' right to enforce remedies for the non-performance of any obligation in this Agreement.

7.1.5 The payment of a Service Level Credit by the Service Provider shall not in any manner release the Service Provider from the future timeous performance of any obligation in this Agreement.

Service Level Credit parameters	
For each obligation contained in the Agreement that is not performed within 14 (fourteen) days of notice by SARS to the Service Provider Account Executive, of the Service Provider's failure to perform any obligation in the Agreement timeously.	R 3,000 (Three Thousand Rand)
Service Level Credit Increment	R 3,000 (Three Thousand Rand) for every 14 (fourteen) days for which the obligation contained in the Agreement is not performed after notice by SARS has been given to the Service Provider Account Executive of the Service Provider's failure to perform an obligation.

7.2 **Example**

7.2.1 The Service Provider fails to update the Incident Management Procedures (as set out in **clause 2.2.2** of **Schedule B**) and SARS notifies the Service Provider, and the Service Provider only updates the Incident Management Procedures 30 (thirty) days after the notification by SARS. The General Obligations Service Level Service Level Credit will in this case be calculated as R6,000.00 (six thousand). (R3,000. (three thousand) for not updating the Incident Management Procedures within 14 (fourteen) days of the notification and

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another R3,000 (three thousand) for not updating the Incident Management Procedures within a further 14 (fourteen) days after that).

8 TRANSITION COMPLETION SERVICE LEVEL

8.1 In the event that the Service Provider fails to deliver any of the Deliverables or other deliverables corresponding to the Server Support Services Transition or Server Support Services by the applicable due date set out below, or fails to perform an Server Support Service as set out below, the Service Provider will, on the next invoice rendered to SARS, pay SARS the Service Level Credit set out below that corresponds to such deliverable.

Transition Completion Service Level	Due Date	Service Level Credit
Transition Completed and successful cutover of all Server Support Services from SARS' predecessor service provider(s).	90 (ninety) days after the Effective Date.	R5,000 per day after the due date for completion of Transition until the Transition has been completed. The full amount will be payable even where some, but not all of the Server Support Services have been transitioned.

9 SERVER IMACD COMPLETION SERVICE LEVEL

9.1 A Server IMACD must be performed within the requested time period at 24 (twenty-four) hours' notice. In the event the Service Provider does not complete the Server IMACD within the change window requested, the Service Provider will on the next invoice rendered to SARS, pay to SARS the Service Level Credit set out below:

Server IMACD Completion Service Level	Failure Condition	Service Level Credit
The Service Provider must perform a Server IMACD within the change window requested by SARS provided the commencement of the change window is no less than 24 (twenty-four) hours after the	The Service Provider fails to complete the Server IMACD within the requested change window.	R5,000 per event.

IMACD request has been made by SARS.		

10 SERVICE MANAGEMENT SERVICE LEVELS

10.1 In the event that the Service Provider fails to deliver certain deliverables relating to Server Support Services or fails to perform certain Server Support Services, the Service Provider will issue a credit to SARS equal to the Service Level Credit set out below in the next invoice issued to SARS.

10.2 The Service Level Credit must be issued to SARS for every occurrence of the corresponding Failure Condition in the Obligation/Service as set out below. The Service Level Credit is payable by the Service Provider regardless of when the failure condition is discovered, provided the failure condition occurred after the Commencement Date.

Obligation/Service	Failure Condition	Service Level Credit
The Service Provider must perform Operational Change Management services in accordance with the Server Support Operational Change Management Procedures and in accordance with procedures set out generally in **Schedule B** and **Schedule B-S**.	Any instance of non-adherence to the Server Support Operational Change Management Procedures and in accordance with procedures set out generally in **Schedule B** and **Schedule B-S.**	R5,000 per instance of non-adherence.
The Service Provider must perform Incident Management services in accordance with the Server Support Incident Management Procedures and in accordance with procedures set out generally in **Schedule B** and **Schedule B-S**.	Any instance of non-adherence to the Server Support Incident Management Procedures and in accordance with procedures set out generally in **Schedule B** and **Schedule B-S**.	R5,000 per instance of non-adherence.

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Obligation/Service	Failure Condition	Service Level Credit
The Service Provider must perform Problem Management Services in accordance with the Server Support Problem Procedures and in accordance with procedures set out generally in **Schedule B** and **Schedule B-S**.	Any instance of non-adherence to the Server Support Problem Management Procedures and in accordance with procedures set out generally in **Schedule B** and **Schedule B-S**.	R5,000 per instance of non-adherence.
The Service Provider must perform Configuration Management services in accordance with the Server Support Configuration Procedures and in accordance with procedures set out generally in **Schedule B** and **Schedule B-S**.	Any instance of non-adherence to the Server Support Configuration Management Procedures and in accordance with procedures set out generally in **Schedule B** and **Schedule B-S**.	R5,000 per instance of non-adherence.

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APPENDIX C-S-2

ALLOCATIONS OF WEIGHTING FACTOR POINTS AS OF THE EFFECTIVE DATE

Service Level	Weighting Factor Points
Time to Resolve Server Incidents (Bronze) Service Level	20%
Time to Resolve Server Incidents (Silver) Service Level	30%
Time to Resolve Server Incidents (Gold) Service Level	40%
Server IMACD Completion Service Level	40%

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APPENDIX C-S-3

PROCESS FLOW DIAGRAMS

1.1. The process flow diagrams set out in this Attachment are set out to provide high-level guidance to the Bidder and do not contain all activities required for every process.

1.2. The Bidder must read these process flow diagrams in conjunction with provisions set out in *Schedule B of the Server Device Support Services Agreement* and this *Business Requirements Specification* and supplement them with any activities that are regarded as necessary in terms of industry best practice to meet the required outcomes.

1.3. The Bidder must include all activities as described above in its costing and pricing for the services. It is the obligation of the Bidder to transparently reflect all activities, both from the diagrams and supplementary additions, in the costing structure, leaving no room for future financial uncertainty. The process flow will be reviewed and finalised during the Transition.

2. IN-WARRANTY BREAK-FIX PROCESS (WUS NOT APPLICABLE)

2.1. The flowchart set out immediately below describes the process to be followed for the repair of In-warranty devices that are required to be repaired onsite (Carry-in to OEM Repair only on SARS approval), where no WUS is applicable. The Bidder must supply a monthly price to facilitate co-ordination of warranty repair. No additional charges are payable by SARS to affect the repair other than the monthly rate.

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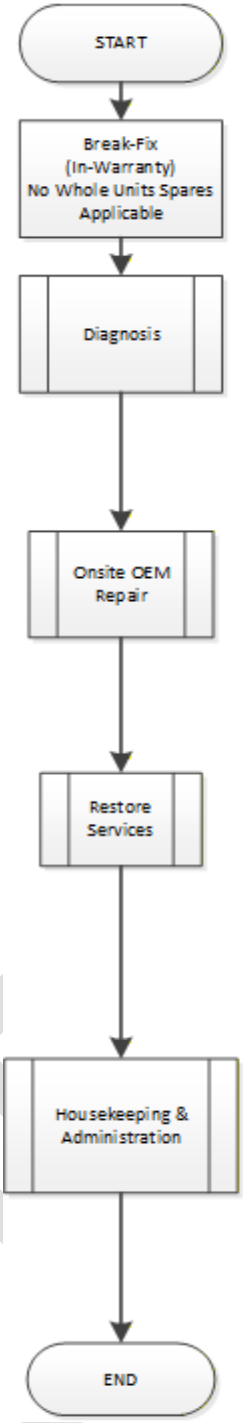


Break Fix (In Warranty) No Whole Unit Spare/Parts Applicable

DIAGRAM 1.1 BREAK FIX (IN WARRANTY)

3. SERVICE-ONLY TIME AND MATERIAL PROCESS (WUS NOT APPLICABLE)

3.1. The flowchart set out immediately below describes the process to be followed for the repair of Out-of-warranty devices that are not fully covered by the monthly rate. The Bidder must supply a monthly rate to co-ordinate the repair. The additional amount that will be chargeable on SARS's acceptance of the quote obtained by the Service Provider must be passed through without margin and will be chargeable in addition to the monthly rate.

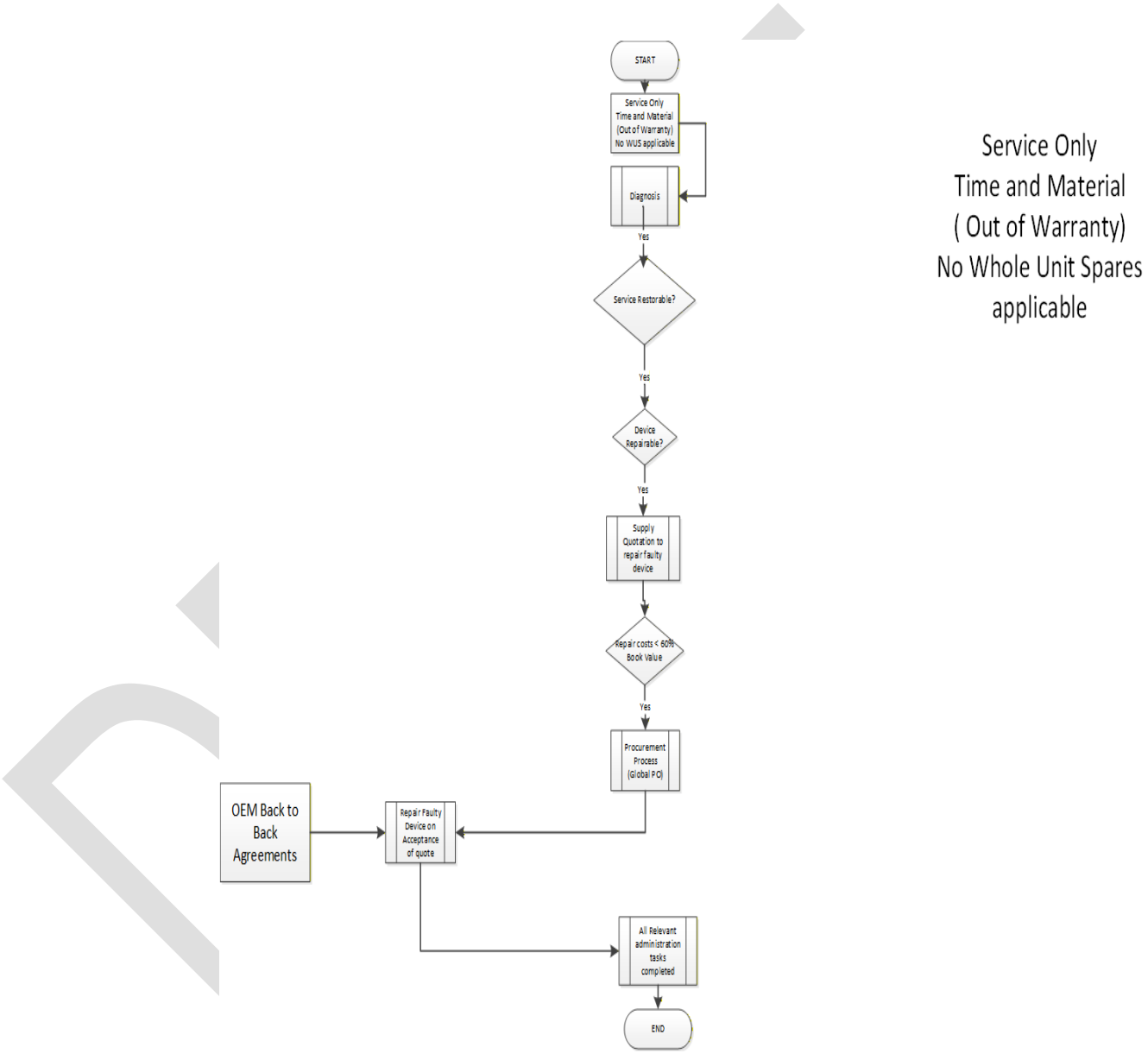


DIAGRAM 2.1 SERVICE ONLY TIME AND MATERIAL (OUT OF WARRANTY)

4. SARS-PROVIDED WUS PROCESS

4.1. The flowchart set out immediately below describes the process to be followed for the provision of WUSs by SARS. This process must be read together with the preceding process descriptions that include the provision of WUSs.

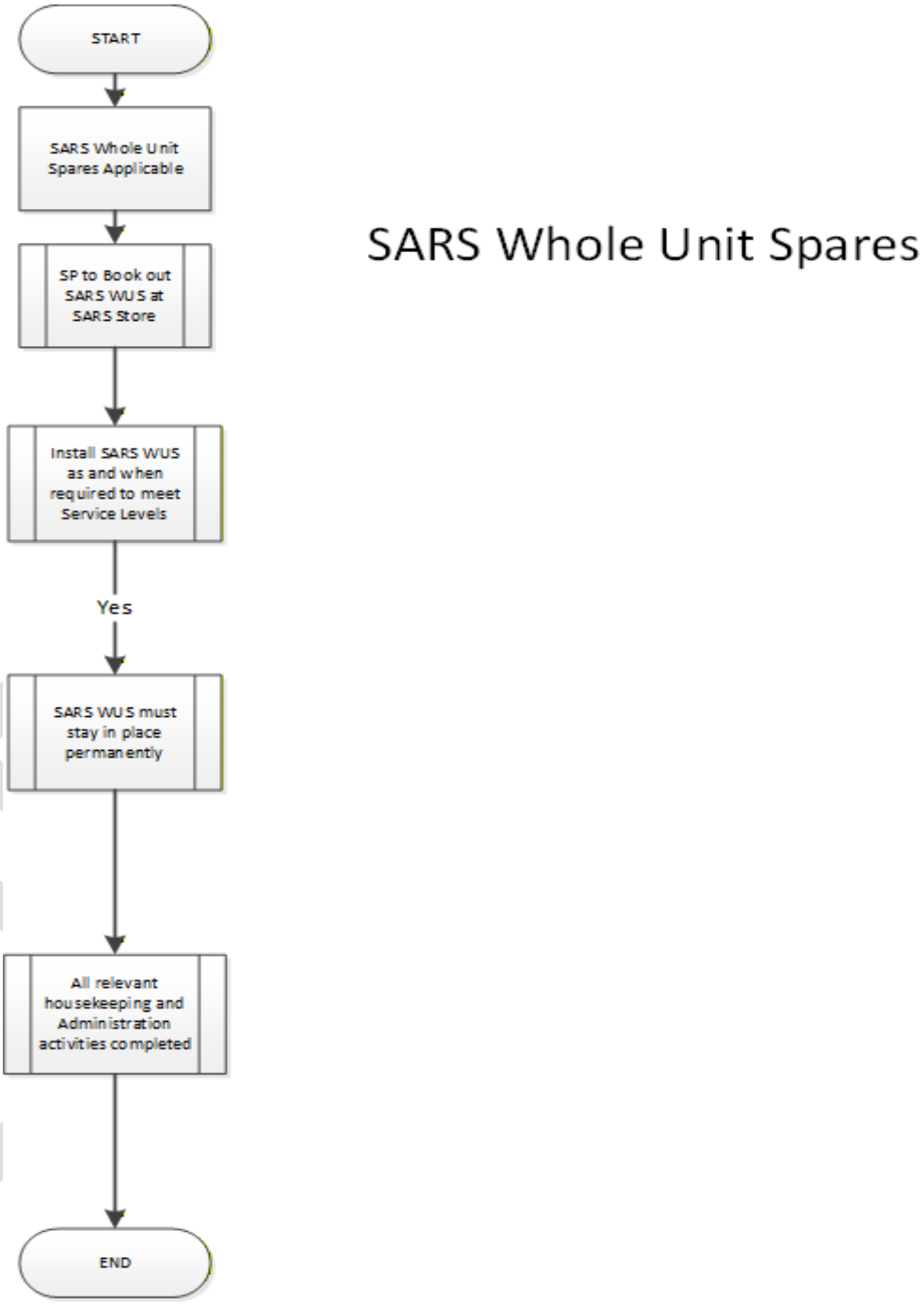
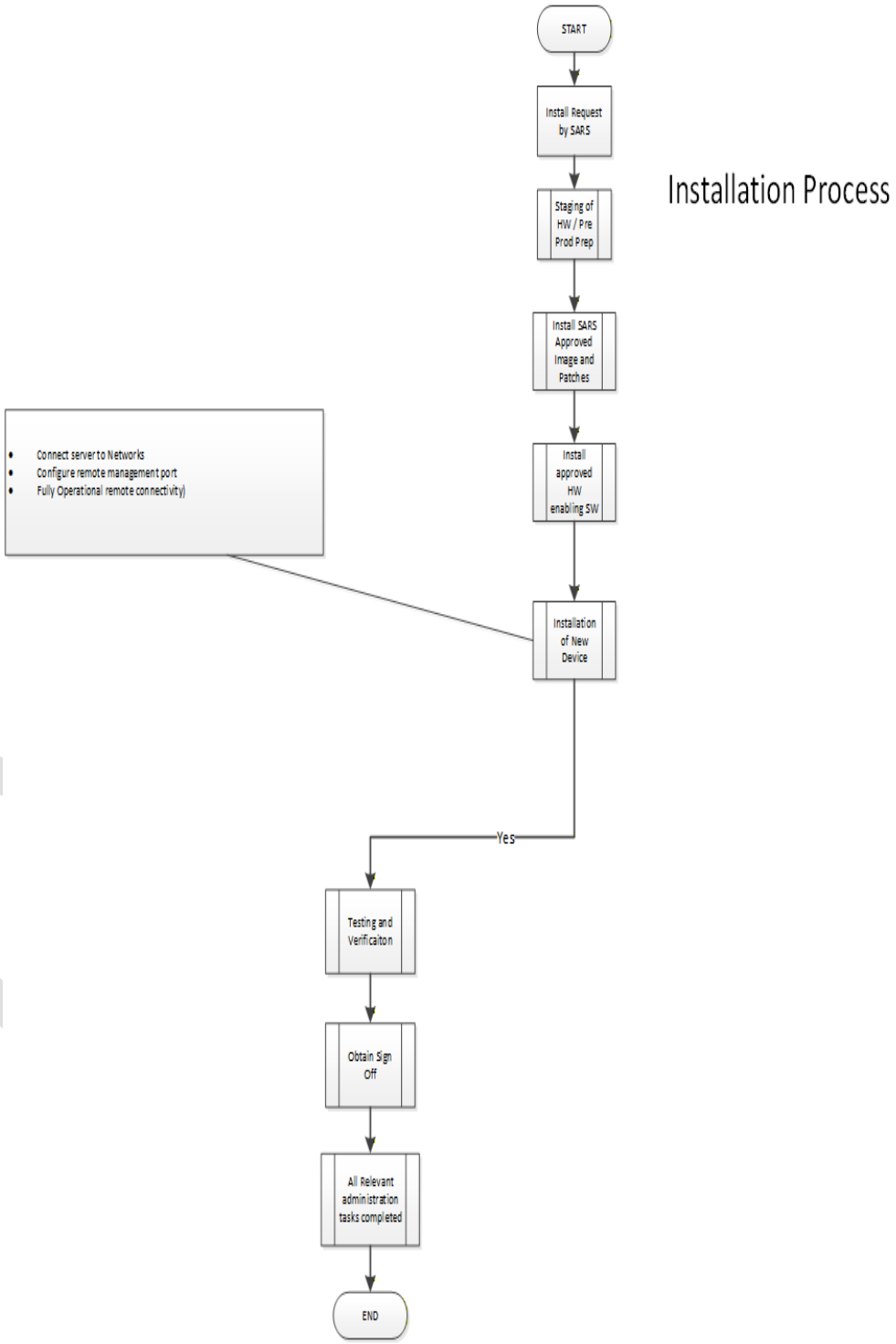


DIAGRAM 3.1 SARS PROVIDED WUS PROCESS

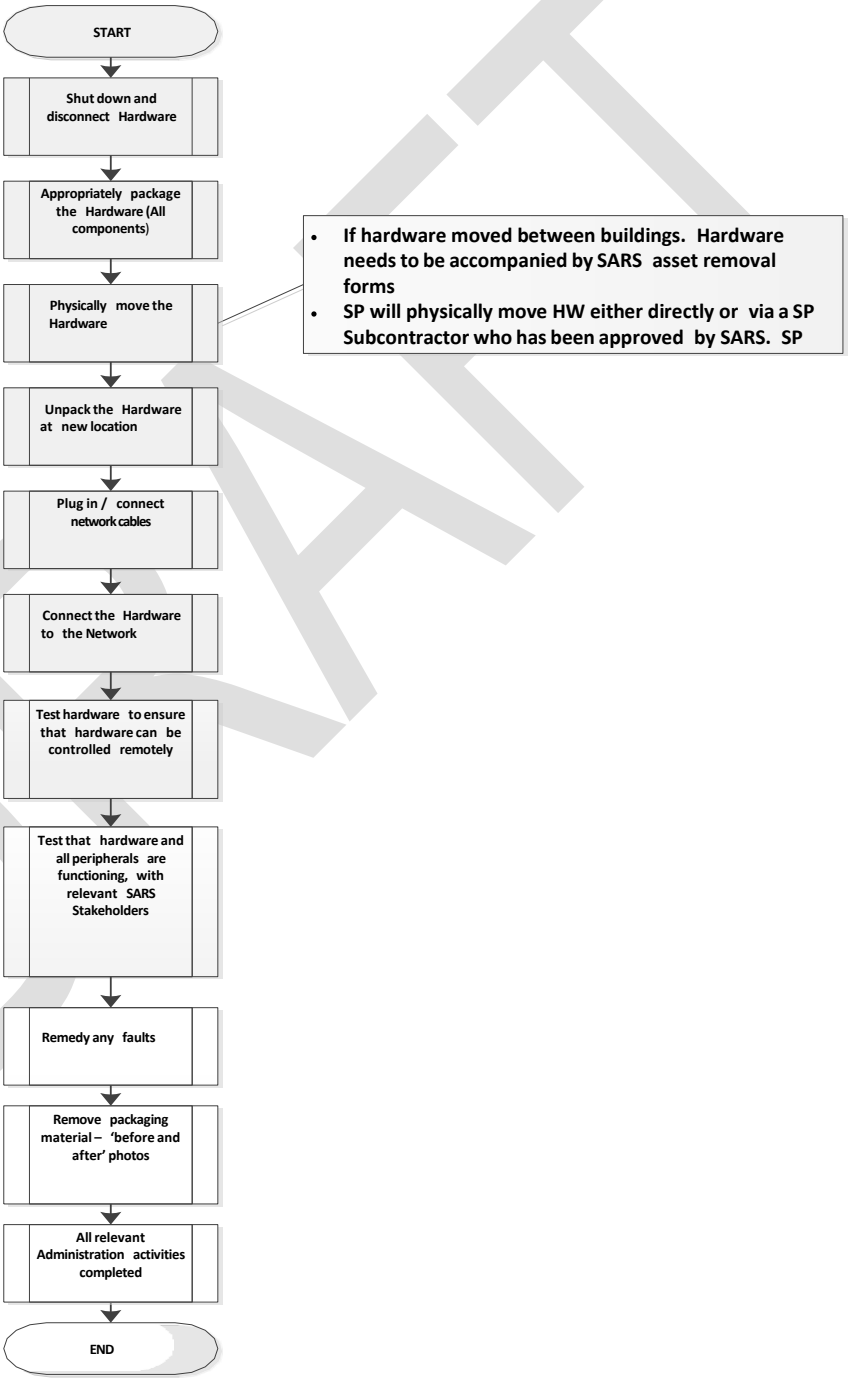
5. INSTALLATION/REPLACE PROCESS

5.1. The flowchart set out immediately below describes the process to be followed for the installation of devices. This service is to be rendered as a Standard Chargeable Service



6. MOVE PROCESS

6.1. The flowchart set out immediately below describes the process to be followed for the move of devices. This service is to be rendered as a Standard Chargeable Service. Service Provider must ensure equipment is handled in line with OEM specifications whilst in transit. In the event of damage, the Service Provider will be liable.



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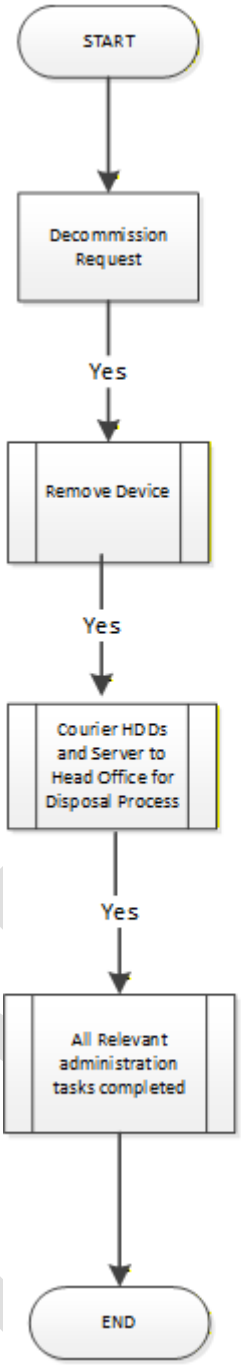
7. DECOMMISSION FOR DISPOSAL



Decommissioning for Disposal

8. DELIVERY ACCEPTANCE TEST

8.1. The flowchart set out immediately below describes the process to be followed for the provision of Delivery Acceptance Test services. This service is to be rendered as a Standard Chargeable Service.

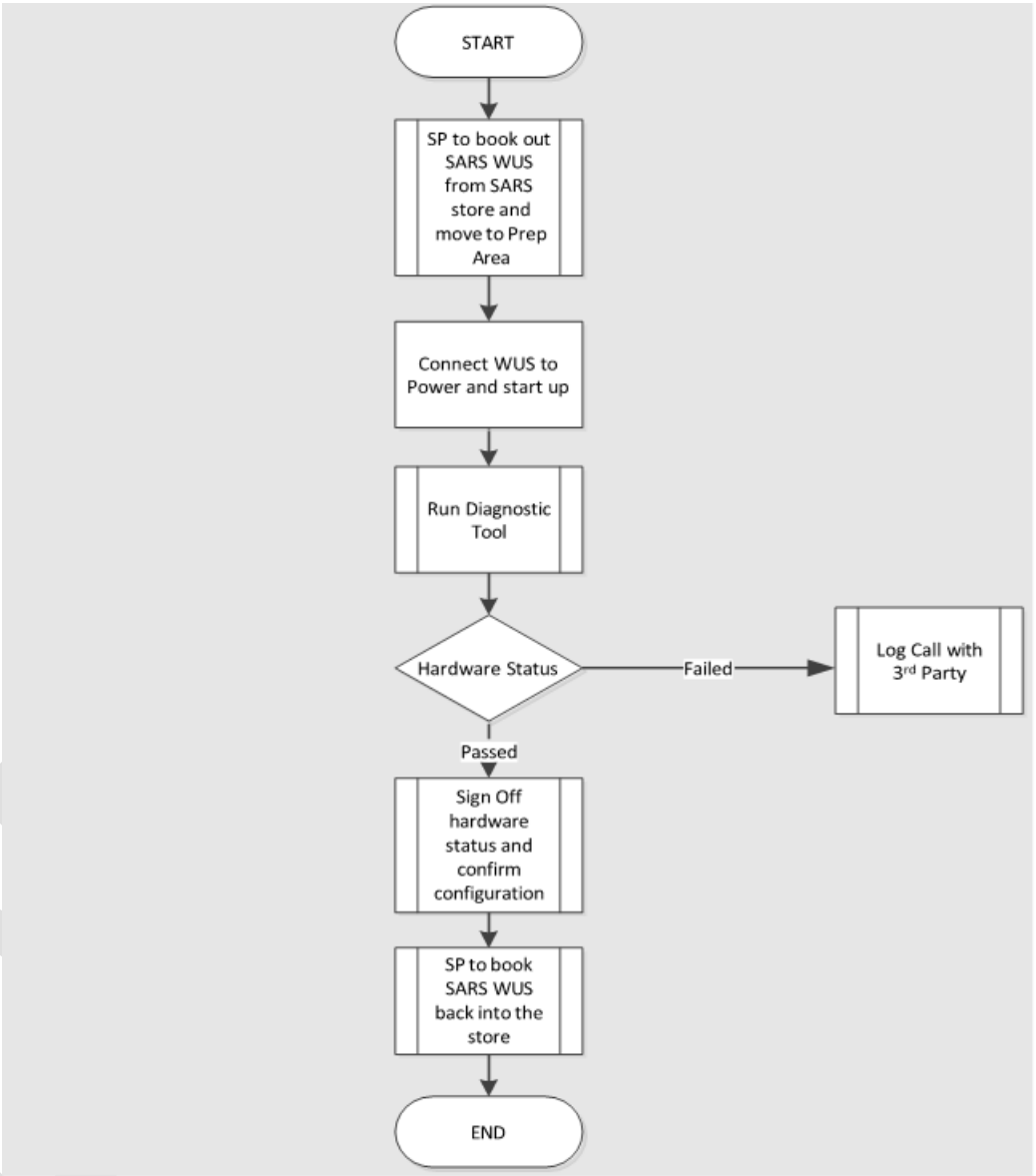


Diagram 7.1 Delivery Acceptance Test

SCHEDULE D: CHARGES, INVOICING AND PAYMENTS

Appendices and Attachments

Appendix D-S	Charges applicable to Server Support Services
Attachment D-S-1	Transition Project Charges [this will be populated from Template S1]
Attachment D-S-2	Monthly Fixed Charges [this will be populated from Template S2]
Attachment D-S-3	Monthly Server Computing Device Support - Rates per Device [this will be populated from Template S3]
Attachment D-S-4	Monthly Server Peripheral/Miscellaneous Device Support - Rates per Device [this will be populated from Template S4]
Attachment D-S-5	Monthly Storage Device Support - Rates per Device [this will be populated from Template S5]
Attachment D-S-6	Standard Chargeable Services [this will be populated from Template S6]
Attachment D-S-7	Personnel Rates [this will be populated from Template S7]
Attachment D-S-8	Consumable Prices[this will be populated from Template S8]
Attachment D-S-9	Annual Price Adjustment Sensitivities [this will be populated from Template S9]

[NOTE TO BIDDER: ALL REFERENCES TO THE TEMPLATES IN THE ABOVE TABLE ARE REFERENCES TO TEMPLATES IN SARS RFP 03-2026 PRICING RESPONSE TEMPLATE THAT THE SUCCESSFUL BIDDER HAS RETURNED AS PART OF ITS PROPOSAL AND THE APPENDICES AND ATTACHMENTS WILL BE INCLUDED DURING CONTRACT FINALISATION]

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SCHEDULE D

CHARGES, INVOICING AND PAYMENTS

1 GENERAL

1.1. General

1.1.1. This **Schedule D** describes how the Charges payable by SARS to the Service Provider pursuant to this Agreement are calculated and invoiced.

1.1.2. The Charges will commence on the Effective Date.

1.1.3. The Charges are set forth in the Appendices to this **Schedule D**.

1.1.4. The Charges detailed in this **Schedule D**, its Appendices and Attachments are the only amounts payable by SARS to the Service Provider for the Services or otherwise in connection with this Agreement and no other charges, expenses, costs or other amounts incurred by Service Provider will be chargeable to or payable by SARS to Service Provider.

1.1.5. Unless specifically provided otherwise in this Agreement, the Charges will include all incidental expenses (e.g. travel and lodging, document reproduction and shipping) that the Service Provider incurs in performing the Services. The prices for New Services and Projects (as contemplated in **clause 6** and **clause 7** below) and Pass Through Expenses (as contemplated in **clause 9** below) must similarly include all incidental expenses.

1.1.6. There will be no changes to the Charges except to the extent:

1.1.6.1. required under **clause 1.4** below; **[NOTE TO THE BIDDER: THIS REFERENCE IS TO SERVICE PROVIDER'S OBLIGATION TO REDUCE COSTS]**

1.1.6.2. permitted under **clause 6** below; **[NOTE TO THE BIDDER: THIS REFERENCE IS TO NEW SERVICES]**

1.1.6.3. permitted under **clause 7** below; **[NOTE TO THE BIDDER: THIS REFERENCE IS TO PROJECTS]**

1.1.6.4. required under **clause 2.3** below; **[NOTE TO THE BIDDER: THIS REFERENCE IS TO CHARGE ADJUSTMENTS]**

1.1.6.5. required under **clause 11** below; **[NOTE TO THE BIDDER: THIS REFERENCE IS TO**

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EXTRAORDINARY EVENTS]

1.1.6.6. required under **clause 13** below; [**NOTE TO THE BIDDER: THIS REFERENCE IS TO CHANGES WHICH RESULT FROM SARS' PARTIAL TERMINATION OF THE AGREEMENT AS CONTEMPLATED IN CLAUSES 28.1 AND 28.3 OF THE MAIN AGREEMENT.**

1.1.6.7. required under **clause 14** below; [**NOTE TO THE BIDDER: THIS REFERENCE IS TO SERVICE LEVEL CREDITS**]

1.1.6.8. permitted by SARS under **clause 29.5.4.3** of the **Main Agreement [NOTE TO THE BIDDER: THIS REFERENCE IS TO CHANGES TO LAW.]**; **or**

1.1.6.9. required under **clause 26** of the **Main Agreement**. **[NOTE TO THE BIDDER: THIS REFERENCE IS TO BENCHMARKING]**

1.1.7. Service Provider will not be entitled to unilaterally (i) impose or seek payment of any amounts or charges under the Agreement other than the Charges, (ii) establish any new types of charges under the Agreement and/or (iii) modify any of the Charges (including the Unit Rates) under the Agreement.

1.2. Currency

The Charges are stated in South African Rand and will be invoiced and paid in South African Rand. The Charges are not subject to adjustment due to any currency fluctuations.

1.3. Taxes

1.3.1. All Charges and Unit Rates are VAT inclusive and include all applicable taxes, duties and levies. **[NOTE TO THE BIDDER: PRICING SUBMITTED IN THE PRICING TEMPLATES MUST BE INCLUSIVE OF ALL DUTIES, TAXES AND ALL APPLICABLE LEVIES, AND INCLUSIVE OF VAT.]**

1.3.2. Each Party will be responsible for any real estate taxes and real estate transfer taxes on real estate it acquires, owns or leases; for any wage taxes levied on wages for employees employed by the relevant Party in connection with the provision or the receipt of the Services and for taxes based on its net or gross income, in particular corporate income tax and trade tax. SARS will not be responsible for any allocation of any of the aforementioned taxes that are levied on the Service Provider.

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1.3.3. Except for VAT, the general tax risk allocation principle as set out in **clause 1.3.2** above will apply mutatis mutandis with respect to all taxes that are not addressed in **clause 1.3.2** above, in particular, including taxes levied outside South Africa.

1.3.4. The Service Provider will be responsible for any taxes levied by a regulator or other government authority that are assessed on goods and services used or consumed by the Service Provider in providing the Services. SARS will not be responsible for any allocation of taxes that are levied on goods and services used or consumed by the Service Provider in providing the Services.

1.4. Service Provider's Obligation to Reduce Costs

1.4.1. In consultation with SARS, the Service Provider will continually investigate methods to reduce the Charges while maintaining the Performance Standards.

1.4.2. Without limiting the generality of its obligations under **clause 1.4.1** above, the Service Provider will:

1.4.2.1. 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;

1.4.2.2. model the effects of the methodologies, processes, solutions and technologies at different levels and mixes of consumption; and

1.4.2.3. 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 Charges.

1.4.3. The Service Provider will ensure cost efficiency of volume-based standard chargeable services requests and will:

1.4.3.1. establish and put into effect volume metrics designed to precisely measure and record the number of standard chargeable services requests processed at a particular SARS site. Such metrics shall be designed in a manner that allows SARS to oversee the efficiency and economic viability of the standard chargeable services provided.

1.4.3.2. put forth a tiered pricing model for standard chargeable services. It is imperative that reduced charges be extended for volume requests. This model's purpose is to promote and incentivize the efficient handling of volume-based standard chargeable services undertakings. The structure of this pricing model shall be transparent and meticulously

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defined by considering economies of scale, granting SARS the ability to effortlessly detect and compare costs associated with individual versus volume-centric requests.

1.4.3.3. at regular intervals, produce detailed reports and analytics relating to the performance and delivery of standard chargeable services. This must encompass data pertinent to volume-driven requests, fiscal savings realized through offered discounts, and any other significant performance metrics. Such data shall provide SARS with the tools necessary to evaluate the effectiveness of the volume-based standard chargeable service tariffs and pinpoint areas of improvement.

1.5. Cost Review Meetings

1.5.1. Within 60 (sixty) days prior to the Adjustment Date defined in **clause 2.3** below, and at such other times as SARS may reasonably request, the Parties will meet to:

1.5.1.1. formally review the Charges;

1.5.1.2. formally review the extent to which the Service Provider is achieving all efficiencies in its performance of the Services to the extent reasonably possible; and

1.5.1.3. consider whether the Agreement is achieving its objective of providing SARS with the Services in accordance with the Performance Standards at the lowest possible prices

each such meeting being referred to as a "**Cost Review Meeting**".

1.5.2. At each Cost Review Meeting, the Service Provider will be prepared to discuss, (i) proposals arising from the Service Provider's reports under **clause 1.4.2.3** above; (ii) any specific issues that SARS wishes to discuss; and/or (iii) any other pertinent matter.

1.5.3. During Cost Review Meetings, the Service Provider, having analysed the Charges in detail in advance of such review, will propose, and the Parties will discuss and consider, changes that can reasonably be expected to result in a reduction of the cost of the Services to SARS. Such changes may relate to, for example: (i)SARS' business processes; (ii) the technology used to provide and deliver the Services; (iii) to receive and use the Services; (iv) the Service Provider Personnel; (v) the Service Provider's processes; and/or (vi) the selection and use of Subcontractors including Third Party service providers.

1.5.4. The Service Provider will schedule Cost Review Meetings by giving SARS at least 45 (forty-five) days prior written notice. The Service Provider will use Commercially Reasonable Efforts to co-ordinate with SARS before scheduling the review. Notwithstanding the

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foregoing, SARS will be entitled to schedule a Cost Review Meeting at any time that SARS deems fit. A Cost Review Meeting will run for such period of time as is reasonably required by SARS. (All Cost Review Meetings will be held via video conferencing or other suitable technological solutions unless SARS has designated an onsite venue.)

1.5.5. In order to prepare for and participate in any Cost Review Meeting, the Service Provider will make available such resources as are reasonably required: (i) to analyse the cost of the Services to SARS; (ii) to perform all of the tasks and activities described in this **clause 1.5** associated with such Cost Review Meeting; and (iii) otherwise to maximise the likelihood that such Cost Review Meetings will result in a reduction of the Charges and the cost of the Services to SARS. The Parties acknowledge and agree that the application of this provision will not result in any changes to the Agreement, Services or Service Levels unless set forth in a formal amendment to the Agreement pursuant to **clause 29.4.3** of the **Main Agreement**.

1.5.6. Without limiting the generality of the foregoing, at least 5 (five) business days prior to the commencement of each Cost Review Meeting, the Service Provider will provide SARS with a draft description of any Proposals the Service Provider intends to make during the Cost Review Meeting, including any costs or Charge adjustments proposed by the Service Provider in order to implement any such Proposals, or resulting from their implementation, as well as projections of any changes to the costs of the Services to SARS resulting from such Proposal.

1.5.7. If SARS decides (at its sole discretion) to implement any such Proposals, Service Provider will promptly implement them or (at SARS request) assist SARS to implement them, as applicable.

1.5.8. The Service Provider acknowledges and agrees that the process described in this **clause 1.5** is critical to enable the Parties to achieve their price/performance objectives during the Term.

2 CHARGES

2.1. Charges – Specific Charges Requirements

2.1.1. Except as expressly provided otherwise in this Agreement, the only amounts payable by SARS for the Services will be the Charges and applicable taxes as and to the extent the Service Provider generally charges them to its customers of similar services, provided that such amounts are specified in this **Schedule D**.

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2.1.2. SARS will have the right to reschedule or delay installation due dates for service elements or equipment without incurring any increased or separate charges.(]SARS shall be liable to costs incurred by the Service Provide due to any delays or reschedules caused by SARS, provided that the Service Provider submits to SARS proof of such costs.

2.1.3. The Service Provider will not charge SARS for any Service Provider-supplied Third-Party service components for which costs are incurred after expiry of SARS' notice of cancellation of a service component to Service Provider.

2.1.4. The Service Provider represents and warrants that the Unit Rates and any other rates or Charges set forth in the Service Provider's Proposal constitute the totality of all of the Charges (all costs to SARS are included in these rates) for all of the Services. SARS will not be liable for any amounts that are not set forth in the Service Provider's Proposal in respect of the Services.

2.2. Minimum charges

The monthly fixed charges set out in Attachment D are the only minimum charges to be made to SARS by the Service Provider on a monthly basis during the Term.

2.3. Charge adjustments

The Charges, will be adjusted on the anniversary of the Effective Date ("**Adjustment Date**") and on each anniversary thereafter to take account of changes in the Service Provider's labour costs and the costs of consumables, market pricing of the Services and future pricing adjustment commitments as set out in **Appendix D.**

2.3.1. The adjustments for all itemised rates and charges will be calculated as follows:

$$\boldsymbol{R_{n+1}} = \sum_{\boldsymbol{i}} \left[\left(\boldsymbol{s_{i_n}} \times \boldsymbol{R_n} \right) \times \left(\mathbf{1} + \boldsymbol{a_{i_n}} \right) \right]$$

where

$$\mathrm{S_{i_{n+1}}} = \frac{\mathrm{S_{i_n}}\left(1 + \mathrm{a_{i_n}}\right)}{\sum_{\mathrm{i}} \mathrm{S_{i_n}}\left(1 + \mathrm{a_{i_n}}\right)}$$

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and

R_n	is an itemised price in period **n**;
S_{i_n}	is the applicable sensitivity factor **i** for period **n**. $[S_{1_n}, S_{2_n} \ldots]$is the set of sensitivity factors that apply in period **n**. The set of sensitivity factors that will apply in the first period (i.e. when **n**=1) are set out in **Appendix D-N-15 / Appendix D-S-9 /Appendix D-E-12; [Note to Bidder: During contract finalisation the Appendices that are not relevant to the award will be deleted]**
a_{i_j}	is the actual adjustment percentage corresponding to sensitivity factor $\mathbf{S_i}$ for period **j**; Where $\mathbf{a_i}$ is CPI, then $a_{i_n}$is the difference between the CPI index at the start and end of period **n** (end minus start) divided by the CPI index at the start of period **n**. For clarity, the CPI index referred to is the CPI headline index number and not the year-on-year CPI rates. Where $\mathbf{a_i}$ is forex, then $\mathbf{a_{i_n}}$is the difference between the Rand / US Dollar exchange rate (in Rands) at the start and end of period **n** (end minus start) divided by the Rand / Dollar exchange rate at the start of period **n**.
n	is the period. 1 = contract year 1, 2 = contract year 2; etc.

2.4. The Service Provider will calculate the applicable adjustments in accordance with this **clause 2.4** and provide these adjustments to SARS no later than 10 (ten) business days prior to the relevant Adjustment Date.

2.4.1. Adjustments accepted by SARS will be set out in a written notice in the form of **Appendix E-6** (Record of Consensus on New Charges) stating the new Charges and will become binding on the Parties on signature by both Parties of the Record of Consensus on New Charges notice.

3 INVOICING AND PAYMENT

3.1. Invoicing

3.1.1. The Service Provider will invoice SARS for the Charges (other than for Projects) on a monthly basis in arrears on or before the 5th (fifth) business day of the month following the month in which the Services were performed. The Projects will be invoiced in accordance with the agreed methodology for the Project, which may be: (i) monthly; (ii) upon SARS' written acceptance of delivery milestones; or (iii) upon completion of the Project and written acceptance thereof by SARS.

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3.1.2. Each invoice will contain or have attached to it such information and be in such form and media as SARS may reasonably request.

3.1.3. Subject to **clause 3.1.4** below, invoiced Charges will be reduced: (i) by 1% (one percent) if SARS does not receive the invoice by the 20th (twentieth) day of the month in which the Service Provider is obligated to deliver such invoice; and (ii) by an additional 1% (one percent) for each month thereafter.

3.1.4. Notwithstanding this Agreement, SARS will not be obliged to pay any amounts that are invoiced more that 120 (one hundred and twenty) days after the Services were rendered.

3.1.5. Each invoice will consist of or have attached:

3.1.5.1. a statement of the total amount due. In addition, at SARS' request, the Service Provider will provide SARS with the algorithms for the calculation of the Charges;

3.1.5.2. the Service Provider's estimate of the Charges as approved by SARS for any work performed by the Service Provider Personnel on a Time and Materials Basis prior to commencement of such work;

3.1.5.3. if so, requested by SARS, copies of daily timecards signed by an authorised SARS representative and the reference number generated by the SARS Service Desk for any work performed by the Service Provider Personnel on a Time and Materials Basis;

3.1.5.4. a valid SARS purchase order number; and

3.1.5.5. any additional details and information reasonably specified by SARS, in the format reasonably specified by SARS from time to time.

3.1.6. The Service Provider will send the invoices to the department designated by SARS from time to time and provide copies of the invoices to other SARS contacts as may be designated by SARS from time to time.

3.1.7. The Service Provider will maintain complete and accurate records of, and supporting documentation for, the amounts invoiced to and payments made by SARS in accordance with International Financial Reporting Standards (IFRS).

3.1.8. Within 10 (ten) days after SARS' request, the Service Provider will provide SARS with any other documentation or information reasonably required in order to verify: (i) the accuracy of the Charges on an invoice; and (ii) its compliance with the requirements of this Agreement.

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3.1.9. The Service Provider will verify that each invoice is complete and accurate and that it conforms to the requirements of this Agreement (including by carrying out detailed checks of each invoice) before issuing such invoice to SARS.

3.1.10. The Service Provider will provide appropriately skilled Service Provider Personnel as SARS' point of contact for answering invoicing queries. Such individuals will respond promptly to any billing queries. Prior to the issuance of each invoice and subject to compliance with the provisions of this **Schedule D** and the Agreement, such Service Provider Personnel will meet with the applicable SARS Personnel to review a draft invoice.

3.1.11. At no additional charge to SARS, the Service Provider will review all of its invoices submitted to SARS during the first 3 (three) months of the Term and certify in writing that each invoice was calculated correctly, including using the correct Unit Rates set out in the Agreement and only invoiced for Services actually provided. The Service Provider will provide this certification within 15 (fifteen) days after it submits each invoice. If the Service Provider discovers discrepancies in an invoice submitted to SARS within the first 3 (three) months pursuant to this procedure, it will re-issue such invoice. The re-issued invoice will be deemed to have been 'received' (for purposes of calculating the payment due date) by SARS on the date that SARS receives the corrected invoice.

3.1.12. The Service Provider will, at no additional charge to SARS and within 60 (sixty) days following the end of each subsequent calendar quarter, review and validate each invoice that it issued to SARS during such quarter. The Service Provider will provide SARS with a reconciliation report listing the results including exception reports, errors and a complete reconciliation of invoices to actual required invoice amounts. The Service Provider will promptly credit any amounts that were improperly invoiced and may issue a supplemental invoice with respect to amounts that the Service Provider discovers could have been invoiced but were not invoiced.

3.1.13. The Service Provider may round off invoiced amounts only once per invoice, at the highest summary (or aggregate) level.

3.1.14. The Service Provider will provide SARS with the option of implementing, at any time during the Term, invoicing and payment in a mutually agreed electronic, digital, EDI or Web-based format, within 90 (ninety) days of SARS' request at no additional cost to SARS. In addition, the Service Provider will provide hard copies of invoices where required under Applicable Law and in the format and with the information as well as detail, required by Applicable Law.

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3.1.15. The Service Provider will invoice all Charges within 60 (sixty) days after providing the Services giving rise to such Charges.

3.1.16. The Service Provider will cease charging for a Service as of the expiration date of the cancellation notice that SARS provided for such Service to be cancelled, with any periodic Service Charges for the month of cancellation *pro-rated* on a day for day basis.

3.1.17. The Service Provider will charge for a newly provisioned Service as from the first day following the day on which the Service was accepted.

3.2. Payment

3.2.1. SARS will pay undisputed Charges to the Service Provider within 30 (thirty) days following receipt of each invoice provided such invoice is accurate and meets the requirements of this Agreement.

3.2.2. SARS may set off any amounts due by the Service Provider pursuant to this Agreement against any Charges payable by SARS pursuant to this Agreement. If the amounts payable by the Service Provider to SARS exceed the Charges payable by SARS to Service Provider pursuant to an outstanding invoice under this **Schedule D** then, at SARS' option, the Service Provider will either: (i) issue a credit note for the net amount which SARS may set off against any other invoices rendered by Service Provider; or (ii) pay the amount to SARS.

3.3. Disputed Charges and Invoicing Errors

3.3.1. SARS may withhold payment of Charges that SARS disputes in good faith (or, if the disputed Charges 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:

3.3.1.1. SARS will promptly notify the Service Provider that it is disputing such Charges; and

3.3.1.2. the Parties will promptly address such dispute in accordance with **clause 27** of the **Main Agreement.**

3.3.2. If the dispute relates to (or, in the case of disputed charges that have already been paid, is equal to) only certain of the Charges included on an invoice, then SARS will pay the undisputed amounts in accordance with **clause 3.2.1** above.

3.3.3. If an invoice is identified by either Party as incorrect, then the Service Provider will either issue a correct invoice if the amount has not yet been paid, or make a correction on the next

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invoice if the amount has been paid; provided, however, that the Service Provider will refund any overpayments with interest (calculated at the Agreement Interest Rate) calculated from the date of SARS' payment to the date of the refund both dates inclusive. SARS will not be responsible for paying interest on undercharged amounts, if any.

3.4. Duplicate charges

3.4.1. If the Service Provider transfers an electronic communications circuit from one carrier to another carrier, unless otherwise required and approved by SARS, the Service Provider will do so in a manner such that SARS does not pay duplicate charges for such circuit (e.g., SARS would not pay for both the old circuit and the new circuit with respect to the same period of time).

4 CALCULATION OF CHARGES

4.1. Charges – Transition

4.1.1. Subject to the requirement for acceptance of the Transition set out in Schedule B, and B-x and their respective Appendices and Attachments, charges as set out in Attachment D-x-1 for the Transition Project will become payable by SARS.

4.2. Charges – Monthly Charges – .

4.2.1. The monthly charge to SARS by the Service Provider will be the sum of: (i) the Monthly Fixed Charges; (ii) Monthly Server Computing Device Support charges; (iii) Monthly Server Peripheral/Miscellaneous Device Support charges; (iv) Monthly Storage Device Support charges; (v) Standard Chargeable Services charges; (vi) Personnel charges; (vii) Consumable charges; and (viii) Additional charges.

4.2.1.1. **Monthly Fixed charges**

The Monthly Fixed charge is the aggregate of charges are set out in **Attachment D-S-2** to the extent that the services making up the fixed monthly charges have been satisfactorily delivered to SARS.

4.2.1.2. **Monthly Server Computing Device Support charges**

The Monthly Server Computing Device Support charge is the sum of the charges for all devices falling into the category of Server Computing Devices that have been included in the scope of support services by SARS at the rate corresponding to the Service Level

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Classification, Service Level Coverage and Site Classification for each device. The rates are set out in **Attachment D-S-3**.

4.2.1.3. **Monthly Server Peripheral/ Miscellaneous Device Support charges**

The Monthly Server Peripheral/ Miscellaneous Device Support charge is the sum of the charges for all devices falling into the category of Server Peripheral/ Miscellaneous Devices that have been included in the scope of support services by SARS at the rate corresponding to the Service Level Classification, Service Level Coverage and Site Classification for each device. The rates are set out in **Attachment D-S-4**.

4.2.1.4. **Monthly Standard Chargeable Service charges**

The Monthly Standard Chargeable Service charge is the sum of the charges for all Standard Chargeable Services requested by SARS that were completed in the month to which the charges apply. The rates for Standard Chargeable Services are set out in **Attachment D-S-6**. The Service Provider may only charge for Standard Chargeable Services for which SARS has issued a purchase order.

4.2.1.5. **Monthly Personnel charges**

The Monthly Personnel charge is the sum of the charges for the time-of-Service Provider personnel at the rates for Personnel Charges set out in **Attachment D-S-7**. The charge for a person of a particular skill classification will be the product of the time spent in hours and the corresponding rate for that skill classification. Depending on the time period on which Personnel services have been engaged, the corresponding rate for the period of engagement: hourly, daily, weekly monthly or annual will be divided by 1,8,40,160 or 1920 respectively to obtain an hourly rate. The Service Provider may only charge for Personnel in accordance with an authorised work order and/or only in terms of a specific purchase order.

The Service Provider only charge travel time only if authorised, in writing, by SARS, and to the extent that, the Service Provider Personnel performing such Services are required to travel more than 50 (fifty) kilometres and the Service Provider has used Commercially Reasonable Efforts to deploy alternative Service Provider Personnel who do not have to travel more than 50 (fifty) kilometres.

The Service Provider Personnel will accurately complete daily time sheets on a concurrent basis showing the actual time spent performing the work that is chargeable.

The Service Provider must provide personnel services in a productive and efficient manner (including using the Service Provider Personnel charged at the lowest appropriate rate). If a

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Personnel Rate for a skill classification required for the performance of the work to be performed is not set out in the Appendix, Service Provider's rate for such skill classification will be the rate for the closest, lowest skill set specified. SARS will not be charged (and will not be liable to pay) for any time spent by Service Provider Personnel in remedying Service Provider errors.

4.2.1.6. **Consumable charges**

The monthly consumable charge is the sum of the charges for all consumables requested by SARS that were delivered and accepted by SARS in the month to which the charges apply. The rates for Consumables are set out in **Attachment D-S-8**. The Service Provider may only charge for Consumables for which SARS has issued a purchase order.

4.2.1.7. **Additional charges**

The charge for additional items may only include additional charges in terms of a signed Work Order and in accordance with the following:

(i) For road travel, the rate per kilometre may not exceed rate(s) supplied by the Department of Transport according to the Private scheme (Petrol Light Delivery Vehicle up to a maximum engine capacity of 2000cc);

(ii) If for subsistence and accommodation, the charge will be made on a Pass-Through Expense basis and may not exceed the allowance for such items accorded to members of SARS staff of an equivalent level; and

(iii) any other provisions of the Work Order not in conflict with this Agreement.

5 CHARGES ON A TIME AND MATERIALS BASIS

5.1. Out of Warranty and Out of Support devices shall be charged on a Time and Materials Basis, unless otherwise agreed in a Work Order. In such cases, the time component of the time and materials charge will be calculated and charged in accordance with this Schedule D.

6 NEW SERVICES

6.1. Generally

In the event that any New Service is requested by SARS, the Service Provider will quote to SARS a reasonable fixed or unit price for such New Service and the Parties will promptly

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meet to discuss such quote. If the Parties fail to reach agreement on the fixed or unit price for such New Service, SARS may elect at its sole discretion to have the Service Provider perform the New Services, and the Service Provider will perform the New Services, on a Time and Materials Basis at the Personnel Rates unless otherwise agreed in a Work Order.

6.2. Replacement Services

If a New Service, once approved by SARS, replaces any of the Services (a "**Replacement Service**") SARS will only be charged for incremental resources and costs net of any savings or reduced costs realised from no longer performing the Service that is being replaced (including a Replacement Service that requires fewer resources, which causes the applicable Charges to be equitably reduced).

7 PROJECTS

In the event any Project is requested by SARS, the Service Provider will quote to SARS a reasonable fixed price for such Project and the Parties will promptly meet to discuss such quote. If the Parties fail to reach agreement on the price for such Project, SARS may elect at its sole discretion to have the Service Provider perform the Project, and the Service Provider will perform the Project on a Time and Materials Basis at the Personnel Rates.

8 CHANGES TO SARS STANDARDS

If after the Effective Date, SARS materially changes any of the standards under **clause 4.4** of **Schedule E (Governance)** other than as part of transition and solely as a result of such change the Service Provider is unable to avoid a material change to the Services, then such change to the Services will be treated as New Services (or Replacement Services, as the case may be) under **clause 6** of this **Schedule D.**

9 PASS THROUGH EXPENSES

9.1. Any Pass-Through Expenses will be subject to SARS' procurement process including a prior written approval by SARS and will be charged to SARS on a Pass-Through Expense Basis. The Service Provider will use Commercially Reasonable Efforts to minimise the cost of goods and services provided to SARS on a Pass-Through Expense Basis. The materials procured on a Pass-Through Expense Basis will be acquired in SARS' name and SARS will have all right, title and interest in such materials.

9.2. The Service Provider must procure any goods and services related to the Services, on behalf

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of SARS on a Pass-Through Expense Basis, should SARS so require. The Service Provider must upon SARS' request, provide SARS with alternative options (minimum 3 quotations) for each procurement to ensure value for money and quality. The Service Provider assures SARS that there will be no mark-ups, hidden charges or additional fees added to the Pass-Through Expenses, and all costs will be transparently passed to SARS

10 DISENGAGEMENT ASSISTANCE

10.1. The Service Provider may charge for Disengagement Assistance only in accordance with the provisions of Schedule F (Disengagement Assistance).

11 EXTRAORDINARY EVENTS

11.1. In the case of an Extraordinary Event (defined in **clause 11.2** below), the Service Provider's Charges will, on prior approval by SARS, be equitably adjusted.

11.2. "**Extraordinary Event**" means:

11.2.1. a governmental re-organisation; (i) a change in Applicable Law and/or any other law; or (ii) the addition, reduction, or other elimination of a significant 'Line of Operations' or other similar organisational change to SARS; and (iii) an event which the Service Provider is able to show, to SARS' reasonable satisfaction, has a material impact on Service Provider's cost structure in respect of the Services.

12 TERMINATION CHARGES

SARS will under no circumstances be liable for any termination charges under this Agreement.

13 CESSATION UPON PARTIAL TERMINATION OR REDUCTION IN REQUIREMENTS

In the event that SARS exercises its rights pursuant to the Main Agreement to partially terminate the Services (clause 24.1.2.2 and clause 28.3 of the Main Agreement) then, any Charges that relate to the Services that are no longer being performed will no longer be chargeable to or payable by SARS .

14 SERVICE LEVEL CREDITS

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The Charges will be adjusted by the application of Service Level Credits.

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APPENDIX D-S- : PRICING TABLES

PRICING

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT. PLEASE REFER TO THE TABLE OF APPENDICES AND ATTACHMENTS ON PAGE 243.]

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APPENDIX D-S-1: TRANSITION PROJECT CHARGES

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT.]

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APPENDIX D-S-2: MONTHLY FIXED CHARGES

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT.]

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APPENDIX D-S-3: MONTHLY SERVER CHARGES

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT.]

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APPENDIX D-S-4: PERIPHERAL CHARGES

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT.]

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APPENDIX D-S-5: MONTHLY STORAGE DEVICE CHARGES

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT.]

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APPENDIX D-S-6: STANDARD CHAREABLE SERVICES CHARGES

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT.]

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APPENDIX D-S-7: PERSONNEL RATES

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT.]

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APPENDIX D-S-8: CONSUMABLE RATES

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT.]

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APPENDIX D-S-9: ANNUAL PRICE ADJUSTMENTS

[NOTE TO THE BIDDER: THIS WILL BE POPULATED WITH THE COMPLETED PRICING TEMPLATES, TABLES AND AMOUNTS UPON FINALISATION OF THE CONTRACT.]

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SCHEDULE E: GOVERNANCE

APPENDICES AND ATTACHMENTS

Appendix E-1	Key Service Provider Positions
Appendix E-2	Contract Obligations Track(COT)
Appendix E-3	SARS PPS&G
Appendix E-4	SARS ICT Crisis Management Process

1 INTRODUCTION

This **Schedule E** details the terms which are relevant to and which will govern Service Provider's management of its performance of the Services and SARS' management of the Service Provider.

2 CHANGE

2.1. Technology Refresh

2.1.1. The Service Provider will ensure that the Software and hardware it uses and/or provides in connection with its performance of the Services, including measurement, management and monitoring Tools, are:

2.1.1.1. current and proven;

2.1.1.2. supported by the applicable maintenance provider's maintenance agreement;

2.1.1.3. supporting the Service Provider's obligation to perform the Services in terms of its obligations under this Agreement (including the Performance Standards); and

2.1.1.4. where applicable to the Services, compatible with the SARS Software and hardware.

2.1.2. Notwithstanding the foregoing, the Service Provider will have sole responsibility for the cost of purchasing and replacing its own assets as required for it to meet its obligation to perform the Services in terms of its obligations under this Agreement (including the Performance Standards)

2.1.3. The Service Provider shall have contingency plans and requisite infrastructure in place to ensure uninterrupted service delivery during instances of load-shedding or any other power outages. This includes, but is not limited to, backup power sources, redundant systems, or

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alternative operational arrangements. Any interruptions or degradation in service quality due to load-shedding or power outages will be deemed a breach of the Service Provider's obligations under this Agreement.

2.2. Migration of the Services

2.2.1. The Service Provider may not perform the Services from a facility other than the SARS Sites identified in the transition Plan without SARS' prior approval.

3 REVIEWS

3.1. Research and Development (Innovation)

Without limiting the generality of the Service Provider's other obligations under this Agreement, the Service Provider will on request by SARS and at no additional Charge:

3.1.1. seek to: (i) identify innovative ways to reduce SARS' internal and external costs associated with the provision of the Services, including the Charges; and (ii) increase functionality and/or operation of the Services, in each case evaluating SARS' use of technology and considering whether changes to such use or technology would reduce SARS' internal and external costs or increase the functionality and/or operation provided by the hardware and Software;

3.1.2. Monitor emerging trends and technologies relating to hardware and software, considering compatibility, functionality, and security.

3.1.3. advise SARS on optimal hardware selection, management and support to promote efficiency and cost effectiveness.

3.1.4. Conduct Research and Development on SARS technologies covering hardware, virtualisation, Managed Print and cloud solutions.

3.1.5. Assess current technology infrastructure for performance, scalability, security and recommend relevant upgrades

3.1.6. Evaluate and recommend new technologies to improve network architecture.

3.1.7. Engage with SARS for alignment of strategic objectives and to ensure research and development efforts are tailored to SARS needs.

3.1.8. summarise the results of the Service Provider's efforts under **clause 3.1** above in the form of Proposals, including recommendations regarding ways to achieve the goals articulated in

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clause3.1 above;

3.1.9. analyse and evaluate the Proposals referred to in **clause 3.1.8** above and any similar Proposals reasonably made by SARS; and

3.1.10. implement such Proposals with SARS' approval.

3.1.11. Conduct quarterly reviews and updates with SARS on technological advancements and recommendations.

3.2. Annual Review of Services and Service Levels

The Parties will perform an annual review of the Services and the Service Levels to determine whether: (i) the Service Provider is meeting its obligations in **clause 1.2** of **Schedule C** (**Service Levels**) to improve its level of Service throughout the Term; and (ii) the specific Service Levels required of the Service Provider should be more favourable to SARS than those set out in **Schedule C** (**Service Levels**). Upon completion of this review, the Service Provider will propose all potential improvements to the Service Levels for SARS' review and approval.

3.3. Annual Review of Charges

In addition to the Cost Review Meetings detailed in **clause 1.5** of **Schedule D (Charges, Invoicing and Payment)**, the Parties will perform an annual review of the Charges (including any expenses or Charges charged on a Pass Through Expense Basis and/or a Time and Materials Basis under the Agreement) and the Service Provider's efforts and success in fulfilling its obligations set out in **clause 1.4** of **Schedule D (Charges, Invoicing and Payment)**. As part of these periodic reviews, the Service Provider will provide a description of the success to date in fulfilling such obligations including analyses of: (i) any reduction in Charges and Pass Through Expenses; and (ii) potential savings achieved or anticipated.

4 PROJECT AND CONTRACT MANAGEMENT

4.1. Steering Committee

The Parties will form a steering committee to facilitate communications between them ("**Steering Committee**"). The Steering Committee will be composed of the SARS Business Owner (and at such Business Owner's election, other SARS Personnel) and the Service Providers Program Executive. (and at such Executive's election, other Service Provider Personnel).

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4.2. Reports

The Service Provider will provide SARS with the written Reports reasonably required by SARS, including the Reports set out in the Contract Obligations Tracker. The format, content and frequency of such Reports will be as is reasonably required by SARS.

Contract Obligations Tracker (COT)The Service Provider will populate all worksheets in the SARS Contract Obligations Tracker (Appendix E2) during the transition period. The Service Provider will update and report on the COT on a monthly basis.

4.3. Meetings

4.3.1. Within 30 (thirty) days of the Effective Date, the Service Provider will propose for SARS' review and approval (to be populated in the COT), a set of weekly, monthly, annual and other periodic meetings to be held between representatives of SARS and the Service Provider.

4.3.2. The Service Provider's Proposal for the set of meetings will include:

4.3.2.1. a weekly meeting to be held by operational SARS Personnel and the Service Provider Personnel to discuss daily performance and planned or anticipated activities, including changes in the Services that might adversely affect performance, and otherwise address, review, and discuss matters specific to SARS;

4.3.2.2. a monthly meeting to be held by the SARS Business Owner (and at such Business Owners 'selection election, other members of SARS management team) and the Service Provider Account Executive to discuss day-to-day operations, the status of on-going and planned activities including changes that might adversely affect performance, and such other matters as appropriate;

4.3.2.3. a quarterly management meeting of the Steering Committee to: (i) review the Service Level Reports for each month during the quarter; (ii) review the Service Provider's overall performance under the Agreement; (iii) review progress on the resolution of issues; (iv) provide a strategic outlook for the systems requirements of SARS; and (v) discuss such other matters as appropriate;

4.3.2.4. an annual meeting of senior management of the Parties to review relevant relationship, contract and performance issues; and

4.3.2.5. such other meetings between SARS and the Service Provider Personnel as may be reasonably requested by SARS and as may be necessary to address relevant

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relationship, contract and performance issues.

4.3.3. The Service Provider will prepare and circulate an agenda sufficiently in advance of such meetings to give participants an opportunity to prepare for the meeting. The Service Provider will incorporate into such agenda items that SARS desires to discuss. Unless otherwise determined by SARS, the Service Provider will prepare and circulate minutes promptly after a meeting for review and approval by SARS.

4.4. SARS Policies, Procedures, Standards and Guidelines

4.4.1. Compliance with Policies

4.4.1.1. The Service Provider will comply with the following (and to the extent that the same issue is addressed by two or more of these policies or procedures, Service Provider will comply with the higher standard):

4.4.1.1.1. SARS PPS&G, as such policies and procedures may be changed in terms of **clause 4.4.1.3** below; and

4.4.1.1.2. the Service Provider's standard policies and procedures that relate to the performance of the Services or the Service Provider's other obligations under this Agreement (to the extent that they do not conflict with the SARS Policies or the other provisions of this Agreement) ("**Service Provider Policies**"). The Service Provider will provide copies of the Service Provider Policies (including any amendments, updates or replacements) to SARS.

4.4.1.2. SARS PPS&G as at the Effective Date are attached hereto as **Appendix E-3**. **[NOTE TO THE BIDDER: APPENDIX E-3 WILL BE ESTABLISHED PRIOR TO THE EFFECTIVE DATE.]**

4.4.1.3. If SARS changes the SARS PPS&G or introduces new standard policies and procedures that are applicable to the Services, SARS will provide the Service Provider with reasonable notice, and a copy of same. In addition, the Service Provider must enquire from SARS on a regular basis, no less than quarterly, as to whether the SARS PPS&G have changed. The pricing impact (if any) of such a change will be addressed in terms of **clause 8** of **Schedule D** (**Charges, Invoicing and Payments**).

4.4.1.4. Changes to the Service Provider Policies will not result in an increase in the Charges or in any other costs to be borne by SARS (e.g. Pass Through Expenses, internal costs).

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4.5. Process and Procedures Library (SARS Information Governance Portal)

4.5.1. The Service Provider, in consultation with SARS, will prepare a comprehensive set of documents detailing the operational and management processes by which the Service Provider will perform and deliver the Services under this Agreement. (the "Process and Procedures Library") The Process and Procedures Library will include, but not limited to below processes:

4.5.1.1. Change and Release control processes;

4.5.1.2. Incident Management processes;

4.5.1.3. Problem Management processes;

4.5.1.4. Business Continuity processes;

4.5.1.5. Backup and Restore processes;

4.5.1.6. Capacity Management practices;

4.5.1.7. Project Management processes;

4.5.1.8. Management Information processes; and

4.5.1.9. various administrative processes including invoicing practices.

4.5.2. The Process and Procedures Library will be suitable for use by SARS Personnel to understand how the Service Provider will provide the Services and to enable SARS and SARS' internal and external auditors to verify and audit the manner in which the Service Provider is providing the Services.

4.5.3. The Service Provider will develop the Process and Procedures Library within the SARS provided Information Governance Portal for SARS' review and approval by no later than 60 (sixty) days prior to the Effective Date and obtain SARS' review and approval of an integrated Process and Procedures Library for all of the Services within 60 (sixty) days of the Effective Date. Failure to provide a final draft that is reasonably acceptable to SARS within the aforementioned time period will be a material breach of the Agreement. SARS will provide detailed and reasonable comments on each draft within 15 (fifteen) business days after receipt of any draft and Service Provider will incorporate such comments in the next draft.

4.5.4. The Service Provider will update the Process and Procedures Library on an on-going basis, (no less frequent than annually) during the Term to reflect changes in the operations or

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procedures described therein. The Service Provider will provide updates to the Process and Procedures Library to SARS on the 5th (fifth) business day of each month during the Term or review and approval.

4.5.5. The Service Provider will perform the Services in terms of the Process and Procedures Library provided that, in the event there is a conflict between the provisions of this Agreement and the provisions of the Process and Procedures Library, the provisions of this Agreement will take precedence. Moreover, the Process and Procedures Library may not: (i) be contrary to the scope of Services; or (ii) modify any of the terms or conditions of this Agreement. Without limiting the generality of the Service Provider's obligation to perform the Services in terms of the Performance Standards, the Service Provider may, in terms of **clause 4.4.1** above, use existing SARS procedures prior to the approval of the Process and Procedures Library.

5 WORK ORDERS

5.1. The Parties may, from time to time, include Work Orders under the Agreement pertaining to New Services, Projects or changes to the Services provided by the Service Provider to SARS under the Agreement, substantially in accordance with the Work Order template appended hereto as **Appendix E-5**.

5.2. The provisions of this Agreement will apply to each, and every Work Order issued under this Agreement.

5.3. The Service Provider will provide the Services to the SARS subject to the terms and conditions of this Agreement generally and in particular subject to the terms and conditions set forth in the relevant Work Order provided that a Work Order may amend the terms and conditions of this Agreement only with respect to the subject matter of such Work Order.

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APPENDIX E-1: KEY SERVICE PROVIDER POSITIONS

[Note to the Bidder: The Bidder is required to propose a list of Key Service Provider Positions in its response to this document. At a minimum, the Bidder should include the Key Service Provider Manager Positions as indicated in Schedule Dand the Transition Manager responsible for the day-to-day Transition activities as the Services are transitioned from SARS or the Incumbent Service Provider to the Bidder.]

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APPENDIX E-2: (CONTRACT OBLIGATIONS TRACKER)

[Note to the Bidder: this Appendix will be completed as part of the transition period.]

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APPENDIX E-3: SARS PPS&G

SARS PPS&G

[Note to the Bidder: This Appendix will be listed in accordance with clause 4.4 of Schedule E (Governance)]

[Note to the Bidder: this Appendix will be completed as part of the transition period.]

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APPENDIX E-4: SARS ICT CRISIS MANAGEMENT PROCESS

[Note to the Bidder: this is a SARS confidential operational document. Certain portions not relevant to the Bidder preparing a response have been deleted.]

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Document Information

Document Number	:
Revision Number	:
Revision Date	:
Compiled By	:

1. Purpose

- The purpose of this document is to provide a standard operational process for the handling of a Critical Priority Incident.

- Ensure proper communication to all the relevant stakeholders throughout the lifecycle of the incident.

2. Definition

- A critical priority incident is any partial or full system outage resulting in complete loss of a core business system and has major business impact to customers.

3. CLASSIFYING A CRITICAL PRIORITY INCIDENT

- The following priority matrix will be used in conjunction with the ICT incident Management Major Priority Process to validate if the incident meets the definition of the critical priority incident.

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Appendix 12 – Priority Matrix			
Priority 1 (Critical)	Definition	Major Business Impact: Countrywide outage with no workaround resulting in complete loss of core business systems to customer.	All users affected
	Example	• Production system component failure resulting in loss of system availability. • Critical network component (core router or switch supporting enterprise services) not functioning. DNS connectivity and/or component failure resulting in a loss of access to Internet (i.e., firewall, Internet connection, proxy, etc).	
Priority 2 (High)	Definition	Significant Business Impact: Outage with no workaround resulting in significant loss or degraded system services to customer; however, operations can continue in a restricted mode.	TC sites and > 100 users
	Example	• Production system components unavailable impacting batch and online schedules • Failure or system degradation in any of the following areas: cluster controller, hub, router, servers, data switch, server application, data-link failure with an alternate route, video services, voice mail system Significantly degraded response from critical applications and databases.	
Priority 3 (Medium)	Definition	Batch/on-line/hardware problems resulting in minimal impact to system and system availability.	The whole office affected and 10 – 100 users affected
	Example	• Batch job/on-line transaction not requiring immediate contact • Telephone switch unavailable. • Inter- and intra-site communication links not functioning. • Critical applications and databases (i.e., Service Manager) not functioning	
Priority 4 (Low)	Definition	Single points of failure resulting in impact to: • Single customers • Single devices Non-critical peripherals.	< 10 users affected
	Example	• Personal computer (PC), workstation, and terminal • Printer, plotter, scanner • Telephone	

4. Critical Priority Incident Procedure

No	Action	Role
1	Notify the problem management team that a critical priority incident has occurred	Service Desk Agent, IM coordinator or Service Owner
2	Validate the scope and impact of the event, and validate that it meets the definition of a critical incident	Operations Manager:
3	Appoint a Crisis Manager in Liaison with the ITSM Senior Manager	Operations Manager: Problem Management
4	Contact the relevant service owner/s and/or users to obtain background information regarding incident.	Crisis Manager
5	Perform initial communication regarding plan of action.	Crisis Manager
6.	Engage with ICT Change Management to communicate the status and progress of the incident if required to the user community	Crisis Manager
7	Convene a Crisis Meeting with Service Owner/s, Managers and Senior Managers of relevant Business Units, Service Providers etc	Crisis Manager
8	Obtain full briefing from relevant stakeholders and document: ➢ Problem description ➢ Impact ➢ Sequence of Events ➢ Immediate actions undertaken to remedy the situation and /or limit impact to users. ➢ Identified risks and concerns ➢ Commutation requirement to the users	Crisis Manager
9	Perform ongoing communication regarding progress to Management, Operational Staff and User community	Crisis Manager
10	Document, ➢ Contingency plans ➢ Workarounds and communicate to user community.	Crisis Manager
11	Confirm service restoration from user community	Crisis Manager
12	Wrap up meeting	Crisis Manager
13	Open a problem record to perform root cause analysis	Crisis Manager

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APPENDIX E-5: FORM OF A WORK ORDER

THIS WORK ORDER NO. {***number***} dated as of {***date***} (the '**Work Order Commencement Date**') is being executed pursuant to Server Device Agreement between the South African Revenue Service ("**SARS**") and {***insert name}*** (Proprietary) Limited (Registration No. **{*insert number*})** ("**Service Provider**") dated as of {***insert signature date***}, the terms of which are incorporated herein by reference. Capitalised terms used but not defined herein will have the meanings given to them under **Schedule A (Glossary)** to the aforesaid Agreement.

1. DESCRIPTION OF THE SERVICES

{Note to the Parties: Please insert a description of the Services under this Server Device Support Agreement. Identify Service Provider resources, hardware to be provided by Service Provider and Third-Party Software to be provided by Service Provider.}

2. DURATION / DELIVERABLES AND TIMELINE

{Note to the Parties: delete whichever is not applicable}

2.1. This Work Order will commence on the Work Order Commencement Date and will terminate on {date} unless extended or terminated earlier in accordance with the Agreement.

2.2. Service Provider will procure, modify, plan, design, develop and/or implement the Deliverables that are identified and described in Table B-1.

{Note to the Parties: In the case of Projects, please identify each Deliverable and provide the other information required to complete Table B-1}

Table B-1		
Name of Deliverable	**Description**	**Key Milestones and Timeline**

{Note to the Parties: In the case of New Services and/or applicable maintenance and support, please identify the scope of the New Service and provide the other information required to complete Table B-2}

Table B-2	
Scope	**Description**

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3. **SERVICE LEVELS AND SERVICE LEVEL CREDITS**

{Note to the Parties: Please list any applicable Service Levels and Service Level Credits}

4. **SERVICE PROVIDER CHARGES**

Service Provider's Charges for Services under this Server Device Support Agreement will be the amount of R {**amount**} in accordance with Table B-3 below:

Table B-3	
Name of Deliverable / New Service	**Allocated Portion of the Fixed Price**
Total	

{Note to the Parties: Please list the name of each Deliverable identified in Tables B-4 and take note of Payment Milestones for each such Deliverable / New Service as set out in Table B-3. Table B-4 may be adapted to suit the requirements}

Table B-4			
Name of Deliverable	**Payment Milestones for such Deliverable**	**Amount to be Paid Upon Achievement of Milestone**	**Dates that Payment Milestones are to be Achieved**
Total			

{Signature blocks appear on the next page.}

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The Parties' duly authorized representatives hereby confirm their acceptance of this Work Order.

{**name**} (Proprietary) Limited By: Printed: Title: Date:	South African Revenue Service By: Printed: Title: Date:
{**name**} (Proprietary) Limited By: Printed: Title: Date:	South African Revenue Service By: Printed: Title: Date:

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APPENDIX E-6: RECORD OF CONSENSUS ON NEW CHARGES

[Note to Bidder: this will be sent to Service Provider on SARS' letterhead]

1. We refer Server Support Services Agreement (the "**Agreement**") which commenced on **{date}** concluded between the South African Revenue Service and **{insert name}** (the "**Service Provider"**).

2. In terms of the aforesaid Agreement, the Service Provider was to provide to SARS, *inter alia*, the Services (as defined in the Agreement), at a charge to be reviewed by the Parties annually.

3. Therefore, in accordance with **clause 2.4.1** of **Schedule D** of the Agreement, it is hereby recorded that the Parties have reached consensus that the Charges are amended as per the attached pricing tables.

4. The Agreement is hereby amended and the Charges as per **clause 3** above will apply with effect from **[date]** until **[date].**

{Signature blocks appear on the next page.}

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The Parties' duly authorized representatives hereby confirm their acceptance of the terms and conditions set out above.

{**name**} (Proprietary) Limited	South African Revenue Service
By:	By:
Printed:	Printed:
Title:	Title:
Date:	Date:
{**name**} (Proprietary) Limited	South African Revenue Service
By:	By:
Printed:	Printed:
Title:	Title:
Date:	Date:

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SCHEDULE F: DISENGAGEMENT ASSISTANCE

1 GENERAL

1.1. The Service Provider shall, during the Disengagement Assistance Period provide to SARS, or at SARS' request to a Successor (where SARS is not the Successor) without interruption and/or degradation of the Services (i) such termination/expiration assistance as SARS may request to facilitate the Transition of the Services to SARS or a Successor; and (ii) to the extent applicable, hardware and Software, ("**Disengagement Assistance**").

1.2. Disengagement Assistance provided to SARS prior to the effective date of termination or expiration will be chargeable by the Service Provider to SARS only to the extent that the appointment of additional resources (above and beyond those resources used in providing the Services) is strictly necessary for the Service Provider to provide such assistance and provided the Service Provider has notified SARS of such appointment and SARS has pre-approved such appointment (and related charges) in writing, which approval will be exercised at SARS' sole discretion. The Service Provider will use Commercially Reasonable Efforts to perform the Disengagement Assistance without deploying additional resources. The Disengagement Assistance provided to SARS after the effective date of termination or expiration will be chargeable to SARS on a Time and Materials Basis in accordance with the Personnel Rates. The Charges related to materials will be treated on a Pass-Through Expense Basis.

1.3. The Disengagement Assistance will include the provision of all information and assistance requested by SARS and necessary to ensure the seamless Transition of the Services and functions being performed by the Service Provider or its agents to the Successor. The Disengagement Assistance may include capacity planning, consulting services, facilities planning, electronic communications services planning, Software configuration, reviewing all system Software with a new vendor, generating machine readable listings of source code, uploading production databases, providing parallel processing, testing, and providing such other assistance as is described in this **Schedule F (Disengagement Assistance).**

1.4. The Service Provider will perform the Disengagement Assistance in a manner such that (to the extent within Service Provider's control):

1.4.1. the Terminated Services are transferred to the Successor in an efficient and orderly manner;

1.4.2. the impact on SARS' operations (including SARS Personnel) and the internal and Third-Party

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costs incurred by SARS in transferring the Terminated Services are minimised;

1.4.3. the Terminated Services continue to be performed by the Service Provider until the Termination Date has occurred without disruption or deterioration except as approved by SARS and included in the Disengagement Assistance Plan;

1.4.4. any disruption or deterioration of the Terminated Services following the Termination Date (except as approved by SARS and included in the Disengagement Assistance Plan) is minimised;

1.4.5. there is a knowledge transfer as part of which SARS and/or the Successor are provided with all information held by the Service Provider (or a Subcontractor) that is required to perform services replacing or reasonably equivalent to the Terminated Services following the Termination Date; and

1.4.6. SARS is able, at its option, to receive services similar to the Terminated Services, independently of the Service Provider following termination, including by the transfer to SARS or the Successor of the resources specified in **clause 3**.

1.4.7. If there is more than one Successor, then Service Provider will perform the Disengagement Assistance in respect of each Successor.

1.5. Approach to disengagement

SARS will be entitled to determine on notice to the Service Provider the approach to be taken in respect of the transfer of the Terminated Services, including that:

1.5.1. the transfer of the Terminated Services from the Service Provider to a Successor may either occur:

1.5.1.1. on the Termination Date; or

1.5.1.2. over a period prior and up to the Termination Date in accordance with a timetable, specified by SARS with a corresponding adjustment of the Charges in accordance with **clause 13** of **Schedule D** (**Charges, Invoicing and Payment**), provided that all Terminated Services will cease being performed by the Service Provider no later than the Termination Date or such later date as determined by SARS and advised to the Service Provider; and

1.5.2. interim changes are made to the Services to enable the transfer of the Terminated Services.

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1.6. Disengagement Assistance Plan

1.6.1. The Disengagement Assistance Plan will be developed for each transfer of Terminated Services. SARS will elect whether the Disengagement Assistance Plan is to be developed by SARS or in whole or part by the Service Provider.

1.6.2. If SARS elects to develop the Disengagement Assistance Plan (or any part thereof), SARS will provide the Disengagement Assistance Plan to the Service Provider.

1.6.3. If SARS elects for the Service Provider to develop all or part of the Disengagement Assistance Plan, then:

1.6.3.1. a detailed draft that complies with this Agreement will be delivered to SARS for its comments and review by:

1.6.3.1.1. in the case of expiry of the Term, 8 (eight) months prior to the end of the Term; or

1.6.3.1.2. in all other cases, 10 (ten) business days following the date of delivery of a notice of termination or a notice to reduce the scope of the Services.

1.6.3.2. The Service Provider will incorporate SARS' reasonable comments and changes into the Disengagement Assistance Plan (and any subsequent version of the Disengagement Assistance Plan) and finalise the Disengagement Assistance Plan within 15 (fifteen) days following receipt of same; and

1.6.3.3. the final Disengagement Assistance Plan will be subject to the written approval of SARS.

1.6.4. The Disengagement Assistance Plan will clearly and in detail:

1.6.4.1. give effect to any approach to the Disengagement Assistance specified by SARS in accordance with **clause 1.5** above;

1.6.4.2. describe actions to be taken by the Service Provider in performing the Disengagement Assistance (without limitation to any other actions requested by SARS pursuant to this **Schedule F** during the Disengagement Assistance Period);

1.6.4.3. subject to **clause 1.6.7** below, describe in detail any SARS and/or Successor tasks (including an estimate of the specific staffing required);

1.6.4.4. describe how any transfer of assets and contracts will be achieved;

1.6.4.5. specify the detailed information that will be provided (having regard to the categories in

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Appendix F-1 (**Disengagement Assistance Data**));

1.6.4.6. set out the timetable for the transfer of each element of the Terminated Services (including key milestones to track the progress of the transfer); and

1.6.4.7. specify reasonable acceptance criteria and testing procedures to confirm whether the transfer of the Terminated Services has been successfully completed.

1.6.5. Following SARS' approval of and authorisation to proceed with the final Disengagement Assistance Plan, the Service Provider will perform the Disengagement Assistance in accordance with the Disengagement Assistance Plan.

1.6.6. During the Disengagement Assistance Period, either of the Parties may propose changes to the Disengagement Assistance Plan, subsequently the Service Provider will proactively recommend changes that are necessary or desirable. Any changes to the Disengagement Assistance Plan will be subject to the other Party's approval.

1.6.7. SARS (or Successor) tasks to be performed in respect of the Disengagement Assistance will only apply where:

1.6.7.1. the task is reasonable and there is no other practical manner in which the Service Provider can perform the Disengagement Assistance without such task being performed by SARS or a Successor; or

1.6.7.2. SARS notifies the Service Provider that SARS wishes to perform such task.

1.7. Disengagement Assistance Management

1.7.1. The Service Provider will appoint a senior project manager as its "**Disengagement Assistance Manager**" who will be responsible for the overall performance of the Disengagement Assistance and who will be the primary point of contact for SARS in respect of the Disengagement Assistance during the Disengagement Assistance Period. The Service Provider will appoint such representative by the relevant date specified in the Disengagement Plan in **clause 1.6.4** above.

1.7.2. SARS will appoint a senior project manager as its "**SARS Disengagement Assistance Manager**" who will be the primary point of contact for Service Provider during the Disengagement Assistance Period.

1.7.3. Both Parties will use Commercially Reasonable Efforts to ensure that any Disengagement

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Assistance issues and/or disputes are resolved promptly by the Disengagement Assistance Managers. Any disputes that cannot be resolved will be escalated in accordance with the dispute resolution procedure set forth in **clause 27** of the **Main Agreement**.

1.7.4. Service Provider will manage the Disengagement Assistance in accordance with SARS' reasonable directions, including but not limited to:

1.7.4.1. Resolving any Incidents or problems arising with respect to the Disengagement Assistance;

1.7.4.2. defining an escalation process, as approved by SARS, to be used if there is a failure in any part of the disengagement;

1.7.4.3. establishing, as directed by SARS, the necessary communications and/or interfaces between SARS, Service Provider, the Successor and the Subcontractors; subject to the provisions of **clause 1.1** above, providing individuals with the required expertise to perform Disengagement Assistance.

1.7.5. Service Provider will monitor progress of all tasks and/or responsibilities in the Disengagement Assistance Plan (whether is the responsibility of the Service Provider, SARS and/or any Third Party) against the Disengagement Assistance Plan and promptly escalate to SARS any failures (or potential failures) to perform any tasks and/or responsibilities, including failures by SARS or the Successor.

1.7.6. The Service Provider will provide reports to SARS not less than once a week which:

1.7.6.1. describes the progress of the Disengagement Assistance against the Disengagement Assistance Plan; and

1.7.6.2. identify any risks encountered during the performance of the Disengagement Assistance and propose steps to mitigate such risks.

1.7.7. The Disengagement Assistance Managers appointed pursuant to **clause 1.7.1** and **clause 1.7.2** above will meet on a weekly basis (or as required by SARS from time to time) during the Disengagement Assistance Period to review the status of the Disengagement Assistance Plan.

1.7.8. SARS may appoint a Successor during the Disengagement Assistance Period to manage the Service Provider's performance of the Disengagement Assistance and any Terminated Services. The Service Provider will follow the direction of such Successor only to the extent

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that:

1.7.8.1. The Service Provider would be obliged to follow SARS' directions under this Agreement; and

1.7.8.2. SARS has authorised the Successor and notified the Service Provider of such authorisation.

1.8. Confidentiality and Security Compliance

1.8.1. Prior to the Successor (other than SARS) being provided with any of the Service Provider's Confidential Information as part of Disengagement Assistance, SARS will enter into a confidentiality agreement with the Successor on terms substantially similar to those set out in **clause 17** of the Main Agreement or as may be agreed upon by the Parties.

1.8.2. SARS will procure that any Successor entering any of the Service Provider's and/or Subcontractor's facilities in connection with the Terminated Services comply with the Service Provider's reasonable security, site regulations and/or policies made available to SARS in advance.

2 SPECIFIC DISENGAGEMENT ASSISTANCE REQUIREMENTS

2.1. Bid Assistance

2.1.1. At any time during the Term (whether before or during the Disengagement Assistance Period), the Service Provider will, as requested by SARS, reasonably co-operate and/or promptly provide assistance with any bid or tender process that SARS runs in relation to any of the Terminated Services (or potential Terminated Services) including but not limited to:

2.1.1.1. providing information, reports and data for inclusion in SARS' request for information and request for proposals;

2.1.1.2. answering questions raised by potential Successors; and

2.1.1.3. allowing potential Successors to perform reasonable due diligence activities in respect of the relevant Services, including providing reasonable access to facilities from where the Services are performed (subject to the Service Provider's reasonable security requirements), the Service Provider support systems and the Service Provider Personnel (including personnel located off SARS Sites); provided that such due diligence will be performed in such a reasonable manner so that it does not materially disrupt the Service

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performance (unless SARS excuses such disruption in advance, in writing).

2.1.2. The bid assistance to be performed pursuant to **clause 2.1.1** above will be at least to the level:

2.1.2.1. that would be required for reasonably skilled and experienced Third-Party service providers to:

2.1.2.1.1. prepare an informed, non-qualified offer for the relevant Terminated Services; and

2.1.2.1.2. not be disadvantaged compared to the Service Provider (if the Service Provider is invited to participate) in respect of access to information; and

2.1.2.2. in any event, be no less than the co-operation and assistance provided by SARS to the Service Provider prior to the Effective Date.

2.2. Return of Materials

2.2.1. The Service Provider will return to SARS (or destroy) the SARS Confidential Information in accordance with **clause 17** of the Main Agreement.

2.3. Information

2.3.1. As requested by SARS, the Service Provider will promptly (and in any event within 5 (five) business days following the request) provide SARS with and permit SARS to share with the Successor if the Successor is not SARS:

2.3.1.1. the information and data listed in **Appendix F-1** (**Disengagement Assistance Data**), subject to any timing restrictions specified in that Appendix; and

2.3.1.2. any other information relating to the Services which would be reasonably required by a reasonably skilled and experienced provider of services to continue to perform the Services without disruption or deterioration following the Termination Date.

2.3.2. Subject to **clause 1.8** above, SARS may provide to a Successor (or potential Successor): (a) the information identified in **clause 2.3.1** above and (b) the Agreement.

2.3.3. The Service Provider will provide updates to the information provided pursuant to this **Schedule F**, during the Disengagement Assistance Period.

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2.4. Knowledge Transfer

The Service Provider will provide knowledge transfer services to the Successor (and SARS where SARS is not the Successor) as reasonably required by SARS, including:

2.4.1. explaining procedures, standards and operations used to perform the Terminated Services;

2.4.2. answering questions in respect of the information provided pursuant to **clause 2.3** above; and

2.4.3. for reasonable periods during the Disengagement Assistance Period prior to the Termination Date, allowing Successor personnel to work alongside the Service Provider Personnel to shadow their role and/or enable knowledge transfer.

2.5. Co-operation

2.5.1. As requested by SARS, the Service Provider will co-operate with (and procure that the Subcontractors co-operate with) the Successor during the Disengagement Assistance Period.

2.6. Change Freeze

The Service Provider will, unless otherwise approved by SARS, ensure that during the 3 (three) month period prior to the Termination Date no material changes are made to:

2.6.1. the Terminated Services (including to any hardware, Software or other facilities used to perform the Terminated Services), other than changes necessary for the continued performance of the Services in accordance with the Performance Standards; and

2.6.2. any hardware, Software or contracts that SARS has the right to acquire in accordance with **clause 3** below.

2.7. Backlogs

2.7.1. The Service Provider will perform its obligations under this Agreement to avoid unreasonable backlog of requests for support and/or resolution of Incidents as at the Termination Date.

2.8. Business Continuity

2.8.1. The Service Provider will provide the following assistance to support SARS' requirements for business continuity:

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2.8.2. where SARS is not the Successor, informing Successors of SARSs about the then-current policies and/or procedures regarding backup and disaster recovery relating to the Terminated Services;

2.8.3. arranging for additional overlapping coverage or support through the Run-Down Period to minimise disruption in the event of an outage during the Run-Down Period; and

2.8.4. as requested by SARS, assisting in disaster recovery testing during the Run-Down Period in accordance with the processes and procedures detailed in the Process and Procedures Library.

3 TRANSFER OF ASSETS AND GRANT OF RIGHTS

3.1. Option to purchase hardware

3.1.1. At SARS' request, the Service Provider will sell to SARS some or all of the hardware used primarily to provide the Services to SARS. The Service Provider will sell hardware that SARS elects to purchase under this provision at the lesser of fair market value or Net Book Value. For this purpose, fair market value will be determined by a registered valuator designated by SARS.

3.1.2. By the relevant date as contemplated in **clause 1.6.3.1** above, the Service Provider will provide a list of any hardware that is owned by the Service Provider or a Subcontractor and is used primarily to provide the Services to SARS. The list will specify for each item of hardware: the manufacturer, model, configuration, age, location, function in the provision of the Services and Net Book Value.

3.1.3. If SARS elects to purchase hardware pursuant to **clause 3.1.1** above, then:

3.1.3.1. as requested by SARS, the Service Provider will de-commission the purchased hardware and prepare it for transportation (including packaging) or provide it for collection by SARS or the Successor;

3.1.3.2. risk in the purchased hardware will pass to SARS only upon collection by SARS or upon delivery to SARS; and

3.1.3.3. the Service Provider will execute or provide any title, bills of sale, invoices or other documents as may be required to give effect to this **clause 3.1** and to perfect the transfer of title to SARS or the Successor.

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3.1.4. If SARS elects not to purchase any such hardware, the Service Provider will be responsible for the re-use or safe disposal of the same (including, if it contains any SARS data, cleansing the same to the standards specified in this Agreement).

3.1.5. The Service Provider will provide SARS, the Successor or both (as specified by SARS) with such assistance as is reasonably required to ensure the migration of SARS' Software, SARS data or SARS-provided resources from any hardware which SARS does not wish to acquire to alternative hardware designated by SARS, or secure deletion (as required by SARS).

3.1.6. At SARS' request, the Service Provider will assign to SARS some or all of the Third-Party contracts relating to hardware used primarily to provide the Services to SARS. The Service Provider will be responsible for obtaining, at its sole cost and expense, any Required Consents necessary for the assignment of the applicable lease.

3.2. Assignment of contracts

3.2.1. SARS or a Successor (where SARS is not the Successor) will have the option (exercisable by SARS on a contract-by-contract basis) to assume contracts for any the Services provided by Third Parties to the Service Provider and used exclusively by the Service Provider to provide the Services to SARS. The Service Provider will take all steps necessary to formally assign such contracts to SARS. In respect of Third-Party service contracts, the Service Provider will, where required by SARS, 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.

3.2.2. The Service Provider will provide further information about such contracts in accordance with **Appendix F-1** (Disengagement **Assistance Data**).

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APPENDIX F-1: DISENGAGEMENT ASSISTANCE DATA

1 DISENGAGEMENT ASSISTANCE DATA

The Disengagement Assistance Data consists of:

1.1. Third Party contracts

1.1.1. In respect of each Third-Party contract entered into by the Service Provider (or by a Subcontractor) in relation to the Services, including contracts with the Subcontractors, warranties, maintenance agreements and/or leases relating to hardware and licences and maintenance agreements relating to the Software:

1.1.1.1. the type of contract, such as maintenance or support services;

1.1.1.2. a description of the service being provided;

1.1.1.3. whether the contract exclusively relates to the Services;

1.1.1.4. whether the contract can be assigned or novated;

1.1.1.5. the licences, rights or permissions granted under the contract by the Third Party;

1.1.1.6. amounts payable under the terms of such contract;

1.1.1.7. the remaining term of contract and termination rights;

1.1.1.8. contact details of the Third Party;

1.1.1.9. a history of dealings with the Third Party (including performance histories against service levels that may be in effect with respect to such Third Party);

1.1.1.10. a list of projects or unfilled orders in progress and the status of each; and

1.1.1.11. a copy of each of the contracts with each Third Party.

1.2. Other Information

1.2.1. A copy of all documents in the Process and Procedures Library required to provide the Services to SARS;

1.2.2. A list of any Tools, systems, hardware, assets, Software, processes and procedures that are necessary to perform the Services that will not be transferred to the Successor;

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1.2.3. All Software back-ups of systems used to perform the Services;

1.2.4. Any security features, passwords and password control policies that the Successor needs to know to continue to perform the Services;

1.2.5. Key support contact details for the Service Provider Personnel and Third-Party service providers (excluding Subcontractors), including a contact listing of current potential alternative sources of resources, including skilled labour and spare hardware and parts; and

1.2.6. Work volumes, staffing requirements, actual Service Levels and information on historical performance for each Service component during the preceding 12 (twelve) months.

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SCHEDULE G: SERVICE PROVIDER PROPOSAL

[Note to the Bidder: The Bidder's Proposal will be included upon finalisation of Agreement]

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SCHEDULE H: SARS SITES

SARS SITES

[Note to Bidder: the list of SARS sites will be populated on contract finalisation with the list of SARS sites provided with the RFP with the associated Service Coverage Period, Service Level, site classification for each SARS site;

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SCHEDULE I: SERVICE PROVIDER'S INSURANCE POLICIES

[Note to the Bidder: The Bidder's Insurance Policies as at the time of contracting will be attached here]

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SCHEDULE J: REQUEST FOR PROPOSAL

[Note to the Bidder: The Request for Proposal documentation will be attached here]

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SCHEDULE K: SARS OATH/ AFFIRMATION OF SECRECY

[Note to the Bidder: The SARS Oath/Affirmation of Secrecy will be attached here]

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