



CASH DISTRIBUTION SOLUTIONS AGREEMENT

entered into by and between

SOUTH AFRICAN POST OFFICE SOC LIMITED

(Registered Number: 1991/005477/30)

(A Public State-Owned Company duly incorporated in terms of the Companies Act No 61 of 1973, as amended and duly established in terms of the Post Office Act No. 44 of 1958, as amended, duly represented by Mark Barnes in his capacity as the Group Chief Executive Officer duly authorized hereto)

("Post Office")

and

.....

(Registration Number:)

(A private company duly incorporated in terms of the companies Act No. 61 of 1973, as amended, duly represented byhis capacity as Group, who warrants that he is duly authorized hereto)

("Contactor")

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1. **DEFINITIONS**

In this Agreement:-

- 1.1 clause headings are inserted for convenience and shall not be used in its interpretation;
- 1.2 unless the context clearly indicates a contrary intention, an expression which denotes one gender includes the other gender and neuter as applicable, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa and the following expressions bear the meanings assigned to them below and cognate expressions bear corresponding meanings:

"Acts"	means legislation, regulations, by- laws and codes of good practice (as amended) as may be applicable to the provision of the Services
"Agreement"	means this Cash in Transit Services Agreement together with all Annexures and Schedules incorporated herein
"Business Day"	means any day other than a Saturdays, Sundays and public holidays in the Republic of South Africa
"CPC"	means the Cross Pavement Carrier Device as specified in Annexure A
"Cash"	means bank and currency notes, coins, cheques and travellers cheques, stamps and any other negotiable instruments and/or bills of exchange
"Cash Collection Point"	means the site/s or premises designated by SAPO for the collection of the Cash as listed in Annexure B
"Cash Collection Process"	means the process followed by the Service Provider for the collection of Cash from the Cash Collection Point/s, which includes the administrative process of identification of the Personnel, guarding the Cash and monitoring the process, completing any requisite forms

	and documents, closing the Vaults under supervision, and departing from the Cash Collection Point and delivering the cash to the Service Provider's Vault and/or directly to the Cash Deposit Points (as instructed by SAPO from time to time) and includes any other related processes as set out in clause 6 and Annexure A and E hereto
"Cash Conveyance Process"	means a Cash Collection Process, Cash Delivery Process and In- Conjunction Process and/or a Cash Deposit Process or any one of them as the context may indicate
"Cash Delivery Point"	means the site/s or premises designated by SAPO for the delivery of the Cash (which includes, but is not limited to, SAPO pension pay points) as listed in Annexure B hereto
"Cash Deposit Point"	means the site/s or premises of specified bank/s and/or financial institutions and/or cash processing centres, where the Service Provider is required in terms of this Agreement to deliver the Cash and deposit the Cash in a specified bank account in accordance with the deposit forms supplied by SAPO
"Cash Delivery Process"	means the process of collecting the Cash from the Cash Deposit Point and delivering the Cash to the Service Provider's Vault and thereafter to the Cash Delivery Point or directly to the Cash Delivery Point (as instructed by SAPO from time to time) and includes the administrative process of identification of the Personnel, opening of the Vaults, guarding and monitoring the process, completing any requisite forms and documents, and departing from the Cash Delivery Point, and includes any other related

	processes as set out in clause 6 and Annexures A and E hereto
"Cash Deposit Process"	means the process of collecting the Cash from the Cash Collection Point or Vault and delivering the Cash to Cash Deposit Point, and includes the administrative process of identification of the Personnel, guarding and monitoring the process, completing any requisite forms and documents, depositing the Cash in a specified bank account in accordance with the deposit slips provided by SAPO at the Cash Deposit Point, and departing from the Cash Deposit Point, and includes any other related processes as set out in clause 6 and Annexures A and E hereto
"Contract Period"	means a period of 3 (three) years from the Effective Date
"Effective Date"	means, notwithstanding the Signature Date,
"Tracking of bags"	means the digital method of scanning and receipting of Stop Loss Bags
"In-Conjunction Process"	means a Cash Delivery Process and Cash Collection Process effected simultaneously
"Multiple Cash Drops"	means multiple deliveries of cash Stop Loss Bags to Cash Delivery Points effected at various pre-determined times throughout the day.
"Party/ies"	means SAPO and the Service Provider or either one of them as the context may indicate
"Personnel"	means all persons employed and/or appointed and/or sub- contracted by the Service Provider to provide the Services
"SAPO"	means The South African Post Office Limited (Registration Number: 1991/005477/06) a

	public company duly registered and incorporated in accordance with the laws of the Republic of South Africa
"Services"	means the cash in transit services provided by the Service Provider to SAPO under this Agreement
"Service Equipment"	means all equipment necessary for the provision of the Services, including all tools, appliances, machinery, Vehicles and all specialised equipment including all material and documentation ancillary and related to the CPC, firearms, keys, communication radios, occurrence books, bullet proof vests, uniforms and any other equipment as may be agreed to between the Parties from time to time
"Service Failure"	means such service failures as listed in clause 13
"Service Price"	means the price payable by SAPO to the Service Provider for the provision of the Services, as listed in the payment schedule attached hereto as Annexure B
"Service Provider"	means (Proprietary) Limited (Registration Number: (PSIRA No:)) a private company duly registered and incorporated in accordance with the company laws of the Republic of South Africa
"Signature Date"	means the date of signature of this Agreement by the Party signing last
"Stop Loss Bags"	means the Service Provider issued Stop Loss Bags, serial numbered and bar- coded with a tamper evident seal (as further described in Annexure A)
"VAT"	means Value Added Tax as defined in the Value Added Tax Act of the Republic of South Africa (as amended);
"Vault"	means the security safe of the Service

	<p>Provider, which is obliged to conform with certain generally accepted industry criteria and (including but not limited to) an offsite CCTV / Intruder Alarm, time delay on the safe to only open at operational hours during the day, controlled interlocking access with electronic coded / biometric access, seismic sensors and the like (as further detailed in Annexure C)</p>
"Vehicle"	<p>means a fully armoured bullet proof vehicle consisting of three compartments (driver/vault/crew area) fitted with electronic equipment which is designed to protect Cash. The doors are interlocking, i.e. if the outer back door is in an open state then the vault door cannot be opened. If the driver door is open then the outer back door cannot be opened. The vault area of this vehicle is fitted with two CAT 3 drop safes, which can only be opened by means of an electronically and randomly generated access code. This code is generated by the Service Provider control room and is not available to the crew unless authorized by the said control room. All collected Stop Loss Bags are then, immediately after pick up, dropped into the said drop safes.</p>

- 1.3 any reference to any legislation is to that legislation as at the Signature Date and as amended or re-enacted from time to time and includes any subordinate legislation made from time to time;
- 1.4 if any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of the Agreement;

- 1.5 where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail;
- 1.6 expressions defined in this Agreement shall bear the same meanings in Schedules or Annexures to this Agreement unless the contrary is indicated;
- 1.7 schedules and Annexures to this Agreement shall be deemed to be incorporated into and form part of this Agreement and as such each reference herein to "this Agreement" shall be deemed to include a reference to all such Schedules and Annexures;
- 1.8 the use of any expression in this Agreement covering a process available under South African law such as winding-up (without limitation *eiusdem generis*) shall, if any 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 defined jurisdiction;
- 1.9 where any term is defined within the context of any particular clause in this Agreement, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this definition and interpretation clause;
- 1.10 the rule of interpretation that a written agreement shall be interpreted against the Party responsible for the drafting or preparation of that agreement shall not apply;
- 1.11 reference to day/s, week/s, month/s or year/s shall be construed as calendar day/s, week/s, month/s or year/s;
- 1.12 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;
- 1.13 if any provision in a definition is a substantive provision, conferring any rights or imposing any obligations on any Party, then, notwithstanding that it is only in this interpretation clause, effect shall be given to it as if it were a substantive provision in this Agreement;
- 1.14 recordals shall be binding on the Parties and not merely for information purposes; and

- 1.15 the words "include", "including" and "in particular" shall be construed as being by way of example or emphasis only and shall not be construed, nor shall they take effect, as limiting the generality of any preceding word/s.

2. **PREAMBLE**

- 2.1 **WHEREAS** SAPO embarked on a tender process for the purposes of identifying and appointing a specialist Service Provider for the provision of (*inter alia*) security and cash- in- transit services;
- 2.2 **WHEREAS** the Service Provider has been identified as the successful bidder in respect of the tender process;
- 2.3 **AND WHEREAS** the Parties now wish to record the terms and conditions of the provision of the Services by the Service Provider to SAPO as recorded herein.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

3. **BLACK ECONOMIC EMPOWERMENT**

- 3.1 SAPO promotes the objects of the Broad-based Black Economic Empowerment Act No. 53 of 2003 and the Codes of Good Practice and industry-specific charters promulgated in terms thereof and any other laws or regulations that apply to SAPO ("BEE Legislation").
- 3.2 The Service Provider warrants that it has correctly and truthfully reflected its BEE contributor status or level under the Tender Documents, Empowerdex Level 5.
- 3.3 SAPO reserves the right to carry out a due diligence exercise on the Service Provider's BEE status at 6 (six) monthly intervals to monitor the Service Provider's compliance with such BEE legislation and the provisions of clause 3.2 and may take whatever action is deemed necessary in terms of this Agreement, including termination for the subsequent failure of the Service Provider to maintain such compliance.
- 3.4 The Service Provider acknowledges that SAPO shall not allow any sort of fronting (as contemplated in the BEE Legislation) or any misrepresentations as to the Service Provider's BEE contributor status or level, which will constitute a breach of a material obligation of this Agreement. Any arrangement or conduct which appears to be fronting by the Service Provider may be investigated by SAPO. If SAPO's investigation reveals that the Service

Provider is fronting, SAPO shall take the necessary legal measures against the Service Provider as SAPO may be advised.

4. ENGAGEMENT FOR PROVISION OF SERVICES

4.1 SAPO hereby engages the Service Provider to provide the Services.

4.2 Nothing in this Agreement shall constitute, or be deemed to constitute a partnership or joint venture between the Parties. Furthermore the Service Provider acknowledges and agrees that its status under this Agreement is that of an independent service provider/contractor and its status shall in no way nor for any purpose whatsoever be deemed to be that of an agent or employee of SAPO. The Service Provider shall have no authority or power to bind SAPO or to contract in the name of SAPO, or create a liability against SAPO in any way or for any purpose.

4.3 Neither Party shall acquire any rights, title or interest of any kind in any intellectual property which vests in the other Party on the Signature Date or which is subsequently acquired by the other Party including without limitation any brand name or trade mark of the other or any of the other Party's subsidiaries, which intellectual property the Parties hereby acknowledge to be the sole and exclusive property of the other or such subsidiary (as the case may be). If called upon to do so by a Party, the other Party shall sign a user/licence agreement in respect of any such intellectual property.

5. COMMENCEMENT AND DURATION

This Agreement shall commence on the Effective Date and shall endure for the Contract Period, subject to SAPO's ability to terminate this Agreement by giving the Service Provider 2 (two) months written notice of its intention to do so, in which event the Service Provider shall have no claim for any loss or damage against SAPO, save for such fees attributable to the Service Provider as at the effective date of such termination.

6. THE SERVICES

6.1 Personnel

6.1.1 The Service Provider shall provide qualified and competent Personnel who shall at all times be fully accredited and graded with and by the Private Industry Regulatory Authority ("PSIRA") or such other professional body as may in future succeed the PSIRA, and ensure that such Personnel shall:

- 6.1.1.1 comply with all measures and directives imposed by SAPO and any management body or person tasked with managing any Cash Collection Point and/or Cash Deposit Point and/or Cash Delivery Point and/or the Cash Conveyance Process;
- 6.1.1.2 in the case of subcontractors the SAPO shall be entitled to rely on the presentation of the subcontractors identification card to sufficiently confirm the identity of the subcontractor and his instruction and authority to render the Services;
- 6.1.1.3 (in the cases where the bag tracking system is not yet operative) during every Cash Conveyance Process, carry an official Service Provider identity card as agreed upon between the Parties and issued by the Service Provider at its own cost, which identity card will be pre- signed and numbered, with a current validity date and contain at least the following information in regard to the Personnel:
 - 6.1.1.3.1 a colour photograph embossed with the Service Provider's logo;
 - 6.1.1.3.2 full names and surname;
 - 6.1.1.3.3 identity number and grade;
 - 6.1.1.3.4 registration number with the PSIRA; and
 - 6.1.1.3.5 signature of Service Provider's employee;
- 6.1.1.4 (in the cases where the bag tracking system is operative) during every Cash Conveyance Process carry a bag racking identification card;
- 6.1.1.5 wear the uniform clothing including footwear and bullet-proof vests which shall be provided by the Service Provider at its own cost and which shall consist of at least the following attire:
 - 6.1.1.5.1 in the case of male Personnel: shirt, pants, socks, shoes/boots, belt, the Service Provider's insignia and adequate clothing for

protection against weather and the elements as and when required; and

6.1.1.5.2 in the case of female Personnel: blouse, pants, socks, shoes, the Service Provider's insignia and adequate clothing for protection against weather and the elements as and when required; and

6.1.1.5.3 such uniforms must be suitable for use by the Personnel in view of the nature of the Services rendered, the circumstances under which the Service are rendered and any other relevant circumstance; and must have at least 2 (two) badges/ insignia, prominently attached to the uniform, with the name of the Service Provider clearly legible on them.

6.1.2 In addition, the Service Provider shall ensure that its Personnel:

6.1.2.1 shall only be deployed when in possession of the Service Equipment , which shall at all times be clean and in working order and condition;

6.1.2.2 ensure that its Personnel are physically and mentally fit, healthy and alert whilst on duty; and

6.1.2.3 ensure that its Personnel deployed under this Agreement are South African citizens or in receipt of the requisite work permits and/or visa's (to the extent permitted by law).

6.2 **Cash Conveyance Process**

6.2.1 The Service Provider shall ensure that it and/or its Personnel shall:

6.2.1.1 provide the Services to SAPO in accordance with this Agreement and the Annexures hereto;

6.2.1.2 arrive timeously at the Cash Collection Points, Cash Deposit Points and Cash Delivery Points as set forth in Annexure B;

- 6.2.1.3 present the identification card to SAPO's Contact Person and/or nominee upon arrival at the Cash Collection Points and Cash Delivery Points;
- 6.2.1.4 maintain and sign a register of the Cash Conveyance Process and procure the signing of the register by all relevant persons at the Cash Collection Point, Cash Deposit Point and Cash Delivery Point , and ensure that such register shall be open for inspection by SAPO at any time. The Parties specifically agree that the register shall reflect the time of delivery and the identity of signatories;
- 6.2.1.5 collect a maximum of 10 (ten) Stop Loss Bags per Vehicle in regard to a Cash Collection Process;
- 6.2.1.6 where a Multiple Cash Drop is required, shall deliver Stop Loss Bag/s at the Cash Delivery Point (min of 30 min intervals apart) and the Service Provider shall be entitled to receive payment for each single Cash Delivery Process completed (i.e: single Cash Delivery Process);
- 6.2.1.7 in the event that same day deposit is not practicably possible, deliver the Cash to the Vaults and ensure that the Cash is stored in a Vault overnight ("overnight Cash");
- 6.2.1.8 be provided with cash deposit slips by SAPO, which slips will be required to be stamped, signed and reflect the time by a duly authorised representative of the Cash Deposit Point, placed in a p-envelope for collection by the Service Provider on the next Business Day that the Service Provider delivers / collects from the Cash Deposit Point. the Service Provider shall return to SAPO the p-envelope against receipt on the next Business Day that the Service Provider delivers / collects from the Cash Collection / Cash Delivery Point within 72 (seventy two) hours of the stamping of same. At all times such p-envelope containing cash deposit slips will be tracked (whether manually or by the tracking system);

- 6.2.1.9 ensure that overnight Cash is delivered to the Cash Deposit Point by no later than 10h00 am the following Business Day which will be reflected in the register referred to in 6.2.1.4 and ensure that no more than 20 (twenty) Stop Loss Bags of overnight Cash per Vehicle are delivered during any one Cash Deposit Process;
- 6.2.1.10 ensure that in regard to a Cash Delivery Process, that all Cash is delivered to the Cash Delivery Points by no later than the times scheduled in Annexure B each day;
- 6.2.1.11 ensure that no more than 10 (ten) Stop Loss Bags per Vehicle are delivered during any Cash Delivery Process;
- 6.2.1.12 ensure that all Vehicles are supervised by a competent Personnel member who shall be present in the Vehicle throughout the Cash Conveyance Process;
- 6.2.1.13 drive and/or accompany the Vehicles, as the case may be, throughout the Cash Conveyance Process;
- 6.2.1.14 guard and supervise the Cash, and Vehicles in the Cash Conveyance Process;
- 6.2.1.15 in providing the Services, make use of the CPC System strictly in accordance with the "Stoploss Procedures" in Annexure A;
- 6.2.1.16 exercise extreme care and caution throughout the Cash Conveyance Process;
- 6.2.1.17 take all steps to take all reasonable steps to minimise or limit harm, damage and/or loss of or to (*inter alia*) the Cash, the Cash Collection Point, the Cash Delivery Point, Cash Deposit Point and Vehicles;
- 6.2.1.18 take all steps to take all reasonable steps to minimise or limit the injury or death of any person;

- 6.2.1.19 respond to and report any and all irregularities, suspicious activities, unsafe acts and unsafe conditions that may be encountered during the Cash Conveyance Process;
- 6.2.1.20 in the event of any impairment of whatsoever nature to any Vehicle whilst deployed in a Cash Conveyance Process which may result in the inability to complete such Cash Conveyance Process, shall ensure that the impairment is reported to SAPO within one hour and that where reasonably possible a substitute Vehicle is deployed within a radius of 120 kilometres from a Branch to ensure that the Cash Conveyance Process is completed within 1 (one) hour of such impairment;
- 6.2.1.21 visit the Cash Collection Points and Cash Delivery Points and the SAPO Contact Person at least every 3 (three) months to ensure that there are no negative unreported incidents that affect Service levels;

6.3 General - Personnel

6.3.1 The Service Provider expressly undertakes not to commit any act or omission and not to permit any of its Personnel, duly authorised representatives to commit any act or omission which shall or may constitute a breach of any term of this Agreement, or which may or will have the effect of increasing SAPO's insurance premiums in respect of its property and the property of its customers.

6.3.2 In the event of SAPO being dissatisfied with the conduct, behaviour or attitude of any member of the Personnel, SAPO shall notify the Service Provider in writing. The Service Provider shall immediately provide a competent substitute. The member of the Personnel replaced at SAPO's request shall thereafter not be used or deployed in the provision of the Services under this Agreement.

6.3.3 The Service Provider shall remain solely responsible for the payment of all costs of its Personnel, including, but not limited to salaries, bonuses, pension fund contributions, benevolent fund contributions, medical fund contributions, training and assessments and insurance premiums. In this regard the Service Provider undertakes that it shall :

6.3.3.1 be responsible for the payment of, (*inter alia*), all applicable taxes, charges, duties or fees assessed or levied by any Government entity, in respect of the Personnel or as a result of the Personnel being provided by the Service Provider in terms of this Agreement;

6.3.3.2 on request, furnish sufficient documentary proof to SAPO that any or all of those payments have in fact been made;

Failure to pay any of the aforesaid charges under this clause 6.3.3 and/or to furnish the proof contemplated in clause 6.3.3.2 above to SAPO when requested to do so shall constitute a material breach for purposes of this Agreement.

6.3.4 In the event of any actual or suspected breach of security, SAPO shall at all times be entitled to require that the Service Provider submit specific Personnel to polygraph or voice stress test, which test shall be undertaken by an accredited professional or body. The Service Provider shall submit said Personnel to such test (to the

extent permitted by law and in terms of the Agreement with the Bargaining Council where applicable). The Service Provider shall provide the results of polygraph or voice stress test and all investigation reports pertaining specifically to the loss suffered by SAPO to SAPO within 14 (fourteen) days of the test or the finalisation of the investigation.

- 6.3.5 SAPO may from time to time in writing specify amendments to the Services as set out in this Agreement, provided that where such amendment involves the cancellation of Services in respect of 6 (six) Post Offices or more, SAPO shall give the Service Provider at least 1 (one) month's written notice of cancellation, in which event SAPO shall not be liable to the Service Provider for any loss and/or damages occasioned by such cancellation.

6.4 Additional Services

- 6.4.1 When additional services are urgently required on an *ad hoc* basis in terms of this Agreement, the Service Provider shall provide the *ad hoc* Personnel, at the rates as specified in Annexure B hereto
- 6.4.2 Any additional services required shall be provided for a period as agreed upon in writing by Parties and shall be deployed within the agreed timeframe.
- 6.4.3 The Service Provider shall provide additional services as per 6.4.1 only on receipt of an official written request from SAPO's Contact Person.

6.5 Service Equipment (General)

- 6.5.1 The Service Provider shall ensure that it and/or the Personnel procure, acquire, install and maintain in good and safe working order all Service Equipment entirely at the Service Provider's own cost and shall have no claim, based on enrichment or for compensation, reimbursement or of any other nature whatsoever, against SAPO.
- 6.5.2 The Service Provider shall bear the full risk of loss, damage, destruction, or theft of any and/or all Service Equipment and shall have no claim whatsoever against SAPO, irrespective of the cause or the circumstances which may have given rise to loss, damage, destruction or theft of such Service Equipment, except where such loss or damaged was caused by the gross negligence or wilful act of

SAPO or employees of SAPO in the execution of this Agreement. Where such loss or damage is not as a result of the negligence or wilful act of SAPO or employees of SAPO the Service Provider indemnifies SAPO against any such loss, damage or destruction to the Service Equipment of the Service Provider and/or the Personnel.

- 6.5.3 The provision and/or installation of any specific Service Equipment wherever same may be required to give effect to this Agreement shall comply with the relevant manufacturer's specifications and shall comply with all safety laws and regulations pertaining to such Service Equipment and such installation. The Service Provider furthermore undertakes that any installation of any Service Equipment shall not in any way prejudice or constitute a breach of the terms of any insurance policy held or acquired over the Cash Collection Point or Cash Delivery point, as the case may be, or any part thereof, nor shall it contribute or bring about an increase in any premiums due in terms of such insurance policy.
- 6.5.4 The provision, storage, installation or otherwise by SAPO, of any specialised service equipment, vehicles and/or technology in or on any premises or vehicle of the Service Provider shall not give rise to a lien in favour of the Service Provider nor shall it found a claim based on a lien or other right of retention, and the Service Provider hereby irrevocably waives all rights to raise or otherwise rely upon a lien or other right of retention.
- 6.5.5 Upon termination of this Agreement for any reason whatsoever, the Service Provider shall remove all Service Equipment owned by the Service Provider from any premises owned or occupied by SAPO within 10 (ten) days of such termination.
- 6.5.6 Should the Service Provider utilise communication radios for purposes of communication between its Personnel, the Service Provider shall take reasonable steps to prevent radio transmissions on or near the Cash Collection Points, Cash Deposit Points and Cash Delivery Points and shall not cause interference with, or block reception of, the operational radio system used by SAPO or the Cash Deposit Point.

6.6 **Impediments/ Access**

The Service Provider shall at all times ensure that its Personnel duly authorised representatives do not unduly impede or occupy any passage,

road, entrance or right of way of any part of the Cash Collection Point, Cash Delivery Point or Cash Deposit Point.

7. CONTACT PERSONS

- 7.1 SAPO has nominated the Senior Manager of the Security and Investigations Division of SAPO (from time to time) as its Contact Person and the Service Provider has nominated the General Manager: Operations as its Contact Person.
- 7.2 Either Party may substitute a Contact Person, at its discretion, provided that the Party shall give the other Party reasonable written notice of such substitution and will provide replacement persons of equivalent ability. Without derogating from the foregoing, should either Party replace a Contact Person for any reason whatsoever, it shall ensure, to the greatest extent possible in the circumstances, that a suitable period of hand-over and overlap takes place, at its cost, between the new and the incumbent Contact Person.
- 7.3 The Contact Persons shall liaise and update each other on the progress of the Services rendered and shall endeavour to resolve and remedy any problems or disputes that may arise in relation to the Services.

8. IDENTIFICATION AND BAG TRACKING SYSTEM

- 8.1 The Service Provider undertakes that all of the Cash Conveyance Processes shall be tracked from the commencement of the contract.
- 8.2 SAPO shall be entitled to rely on the receipt generated by the tracking system and the identity card as an adequate means of identification of Personnel. The tracking is to be seamless, from the collection point through the CIT service provider and into the Bank (bank interface).
- 8.3 Notwithstanding any term contained herein to the contrary, SAPO shall not be held liable for any misrepresentation by a third party regarding such third party being a Personnel member and the Service Provider indemnifies and holds harmless SAPO against any loss and/or damage arising as a result of the aforesaid.

9. INDEMNITY

- 9.1 Notwithstanding any other provision of this Agreement, the Service Provider hereby indemnifies and holds SAPO harmless against any loss, liability, damage or harm which SAPO may suffer and/or against any claim which may be brought against SAPO, whether it be a claim by the Service Provider, its

Personnel, sub-contractors, agents, suppliers or representatives, or by any third party, or the estate of such person or entity, arising from or connected directly or indirectly to:

- 9.1.1 the Service Provider's performance or non-performance of its obligations under this Agreement (including without limitation the provision, performance, rendering or supply of the Services, and the breach of any warranty contained in this Agreement, and/or the Service Provider not having disclosed any fact or circumstance material to this Agreement, and/or the Service Provider not having the necessary authority or approvals to enter into this Agreement); and/or
 - 9.1.2 any act or omission of the Service Provider and the Personnel of the Service Provider's agents, representatives ;
 - 9.1.3 any damage to, loss of, and/or destruction of property belonging to or in the possession of a third party within the Cash Collection Point, Cash Deposit Point and/or Cash Delivery Point, save where same arises from or occurs in the course of a struggle or pursuit, in the course of effecting an arrest or preventing harm, loss, theft, or destruction to property belonging to, in the possession of, and/or under the control of SAPO;
 - 9.1.4 any harm, injury or death suffered or sustained by any Personnel and any employee of SAPO, where such harm arises directly from the gross negligence of the Personnel of the Service Provider or the Service Provider where the Service Provider could or should have taken reasonable steps to minimize or limit same from occurring.
- 9.2 This indemnity shall extend also to all legal costs on a scale between attorney and own client which may be incurred by SAPO where the loss, liability, damage or claim arose out of the gross negligence or involvement of the Service Provider or is Personnel in the performance of the Service.
- 9.3 In any claim by SAPO against the Service Provider and/or the Personnel, arising from the alleged failure by the Service Provider and/or the Personnel to perform its obligations hereunder, or to perform such obligations at the requisite degree of reasonableness, skill and expertise, and where SAPO alleges that such failure resulted in any such damage or loss,

10. **SAPO'S LIMITATIONS**

Notwithstanding anything to the contrary herein or in any law contained, SAPO shall not be liable for any indirect, special and/or consequential loss and/or damages which the Service Provider may sustain as a result of the failure by SAPO to carry out its obligations in terms of this Agreement and the Service Provider hereby expressly waives all and any claims which it may have against SAPO in respect of same.

11. **INSURANCE AND SERVICE PROVIDER LIABILITY AND LIMITATION**

11.1 **Insurance**

11.1.1 The Service Provider shall conclude and maintain the following insurance policies:

11.1.1.1 General Public Liability Insurance including the following Extension:

11.1.1.1.1 Firearms Extension;

11.1.1.1.2 Product Liability

11.1.1.1.3 Security Liability

11.1.1.1.4 Professional Indemnity

11.1.1.2 Security Claims Insurance including the following extensions:

11.1.1.2.1 Fidelity Risk Extension;

11.1.1.2.2 Money – In Transit Extension; and

11.1.2 The Service Provider shall provide SAPO with a copy of the terms and conditions of each insurance policy referred to in this clause 11.1.

11.1.3 The Service Provider shall be liable to make payment of the insurance premiums to the relevant insurers and undertakes to do so timeously. The Service Provider shall provide SAPO with documentary proof regarding the payment of the aforesaid premiums, upon request from SAPO.

11.1.4 The Service Provider shall use its best endeavours to expedite the claim process.

11.1.5 In regard to the General Public Liability Insurance Policy, the Service Provider shall be insured for an amount not less than R 10 000 000.00 (ten million Rand) per claim.

11.2 Service Provider's Liability

11.2.1 The Service Provider's liability shall, in the event of loss where such loss is the result of wilful or negligent conduct or failure to adhere to standing operating procedure by Personnel, limit their liability as follows:

11.2.1.1 in the event of loss during a Cash Delivery Process or Cash Collection Process an amount of no more than R250 000.00 (two hundred and fifty thousand Rand) per Stop Loss Bag involved or lost;

11.2.1.2 in the event of loss arising during a Cash Delivery Process or Cash Collection Process, the liability in regard to Cash lost in any single Vehicle will be R2,5 000 000.00 (two point five million Rand) per incident; and

11.2.1.3 in the event of loss of cash whilst it is in the Vault, the liability will be R3 000 000.00 (three million Rand) per incident.

12. SERVICE PRICE AND CHARGES

12.1 Subject to Service Provider's fulfilment of its obligations in accordance with this Agreement (including the provisions set out in clauses 12.2, 12.3 and 12.4 hereunder), the Service Provider shall be entitled to receive and SAPO shall pay to the Service Provider, the Service Price as set out hereunder.

12.2 At the end of each month, the Service Provider shall deliver to SAPO's Contact Person an invoice as to the costs and a detailed schedule of the Services rendered during such month.

12.3 The costs of the Services provided by the Service Provider may not exceed the amount approved for a monthly service, as limited per Annexure B hereto. In the event of the cost of Services exceeding or being likely to exceed the said limit, the Service Provider shall first seek and obtain written confirmation from SAPO's Contact Person.

- 12.4 SAPO's Contact Person shall verify that the Services set out in the schedule have been rendered to the satisfaction of SAPO prior to approval of the invoice.
- 12.5 Subject to clauses 12.2, 12.3 and 12.4 above, payment shall be made to the Service Provider within 30 (thirty) days after receipt of the invoice by SAPO's Contact Person.
- 12.6 Any payments by SAPO to the Service Provider shall be made by way of direct funds deposit into the Service Provider's bank account, the details of which are as follows:

Name of Bank :
Branch Name :
Branch Code :
Account Holder :
Account Number :
Type of Account :

- 12.7 The Service Provider shall comply with the requirements of the Value Added Tax Act No 89 of 1991 as amended.
- 12.8 The Service Price will be subject to an annual increase on the anniversary date of the Effective Date. The increase to the Service Price will be discussed and agreed to by the Parties within 60 (sixty) days prior to the anniversary date as aforesaid. If the Parties are unable to agree on the increase by the anniversary date, then the Parties shall refer the matter to arbitration for resolution.

13. **SERVICE CREDITS**

13.1 **Service Levels**

- 13.1.1 The Service Provider will ensure that the Services will be provided to SAPO at a consistent and guaranteed delivery standard and that the amount of Service Failures (when calculated as a percentage of the total number of Cash Conveyance Processes per month) will amount to no more than 0.5% (zero comma five percent) of such value ("Incident Percentage") and will, in addition ensure that the Northern Provinces Region (as set out in annexure I) does not account for more than 20% (twenty percent) of such Incident Percentage.

13.1.2 Failure by the Service Provider to comply with the provisions of clause 13.1.1 shall result in the Service provider being liable for the service credits as set forth in clauses 13.2 and 13.3 hereunder.

13.2 In the event of Personnel being deployed who are not qualified in terms of the PSIRA grades as listed hereunder, the following service credits shall apply, and may be deducted by SAPO from the Service Price:

	Required Personnel Grade	Service Credit in respect of each Personnel
13.2.1	Grade A	R 1000.00 (one thousand Rand)
13.2.2	Grade B	R 1000.00 (one thousand Rand)
13.2.3	Grade C	R 1000.00 (one thousand Rand)

13.3 In the event of the Service Provider/ its Personnel failing to collect and/or deliver Cash, or having collected it, failing to deposit it overnight in a secure Vault, or having so deposited it, failing to deposit such Cash with the requisite Cash Deposit Point by 10h00 on the immediately succeeding banking day, the following service credits shall apply which may be deducted by SAPO from the Service Price:

	Service Failure	Service Credit
13.3.1	Failure to collect and /or deliver	R1000 (one thousand Rand) per failed Service
13.3.2	Failure to deposit Cash in the Vault	Total Amount lost (subject to the limitations in clause 11)

13.3.3	Failure to deposit Cash in Cash Deposit Point by 10h00 of the next banking day	Total interest lost.
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13.4 The provisions of clause 13.1 shall not apply in the following instances:

13.4.1 notwithstanding anything to the contrary contained herein, in the event that the Service Provider and/or the Personnel fails to deliver Cash within the specified times at any Cash Collection Point and/or Cash Delivery Point (or in the case of same day deposit) at any Cash Deposit Point, such late Services will be identified by SAPO and reported to the Service Provider who will be granted the opportunity weekly to be reconciled on a monthly basis ("monthly late Services") and the Service Provider shall be liable for a service credit in the amount of R250.00 (two hundred and fifty Rand) for each late Service, to a maximum of 50% (fifty percent) of the monthly late Services; and

13.4.2 should the Service Provider and/or Personnel fail to comply with the industry operating standards, the Service Provider shall be liable for a service credit of R50 000.00 (fifty thousand Rand) per failure

13.5 In each case giving rise to the levying of a service credit, the onus to prove that the circumstances or facts alleged by SAPO as grounds for such service credit do not exist shall rest with the Service Provider. For the avoidance of doubt the Service Provider shall at all times bear the onus of proving that it did not cause the loss alleged by SAPO.

13.6 SAPO shall at its sole discretion be entitled to waive its service credit in the following events, which might be regarded as an excusable failure by the Service Provider to perform its obligations:

13.6.1 strikes and lockouts;

13.6.2 attacks, attempted or successful robberies, hi- jacking or any other criminal activities;

13.6.3 the failure of the Service Provider to perform in terms of this Agreement due to any Vehicular accident, breakdowns that may have been prevented by regular maintenance on the Vehicle.and

Vehicle theft or Vehicle impairment (for any reason whatsoever) ,
due to any cause whatsoever.

- 13.7 The Service Provider shall only be entitled to claim an excusable failure as set out in 13.6, if it took all reasonable steps to avoid or overcome the effects of the excusable failure and shall bear the onus to prove.
- 13.8 An election by SAPO to impose any of the aforesaid service credits shall be without prejudice to any other rights and remedies SAPO may have in terms of this Agreement and/or at law.

14. **CONFIDENTIALITY**

- 14.1 Each Party expressly undertakes to keep confidential and not to disclose to any other person without the prior written consent of the other, which consent may not be unreasonably withheld, the details of this Agreement, the details of the negotiations leading to this Agreement, the information handed over to each other during the course of negotiations, the details of all the transactions or agreements contemplated in this Agreement and all information relating to the business or the operations and affairs of each of the Parties (hereinafter referred to as "confidential information").
- 14.2 The Parties may only disclose confidential information to those officers, directors, Personnel, consultants and professional advisors in their employ who:
- 14.2.1 have a need to know (and then only to the extent that each such person has a need to know);
 - 14.2.2 are aware that the confidential information should be kept confidential;
 - 14.2.3 are aware of the disclosing Party's undertaking in relation to such information in terms of this Agreement; and
 - 14.2.4 that have been directed by the disclosing Party to keep the confidential information confidential.
- 14.3 The undertakings given by the Parties in relation to the maintenance and non-disclosure of confidential information in terms of this Agreement, do not extend to information that is required to be disclosed by the provisions of any law, statute or regulation or during any court proceedings. Subject to the provisions of this Agreement, the Party required to make disclosure of confidential information shall take all reasonable steps to oppose or prevent the disclosure of, or to limit as far as reasonably possible, the extent of such

disclosure and shall immediately on being required to disclose such information advise SAPO prior to making such disclosure.

15. CESSION, ASSIGNMENT, DELEGATION

- 15.1 Save as recorded in clause 19, the Service Provider shall not cede, delegate or assign any of its rights and/or obligations in terms of this Agreement to any third party, nor shall it undergo a change of control or membership, nor effect a sale of its business or any of its major assets, at any time during the subsistence of this Agreement or any extension thereof, without the prior written consent of SAPO, which consent may not be unreasonably withheld.
- 15.2 SAPO may only assign, cede, make over or delegate any or all of its rights and/or obligations in this Agreement to any one or more of its subsidiaries and/or associated entities. Should SAPO seek to assign or cede its obligations hereunder to an entity other than its subsidiary and/or associated entity, it shall only do so with the prior written consent of the Service Provider, which consent shall not be unreasonably withheld or delayed.

16. FORCE MAJEURE

- 16.1 A Party is not liable for a failure to perform any of its obligations in so far as it proves:
- 16.1.1 that the failure was due to an impediment beyond its control; and
- 16.1.2 that it could not reasonably be expected to have taken the impediment and its effects upon the Party's ability to perform into account at the time of the conclusion of the Agreement; and
- 16.1.3 that it could not reasonably have avoided or overcome the impediment or at least its effects.
- 16.2 In the event of the Service Provider seeking to rely upon clause 16.1 above, it shall submit written proof of an impediment to SAPO within 24 (twenty four) hours of the occurrence of such impediment, and SAPO shall be entitled, in its sole and absolute discretion, to accept or reject such submission. Should SAPO reject the submission of the Service Provider, it shall be entitled to enforce the terms of this Agreement.
- 16.3 An impediment in sub-clause 16.1 may result only from the following events :
- 16.3.1 war, whether declared or not, civil war, civil violence, riots and revolutions;

- 16.3.2 natural disasters such as cyclones, earthquakes, floods, destruction by lightning;
- 16.3.3 acts of authority, whether lawful or unlawful, apart from acts for which the Party seeking relief has assumed the risk by virtue of any other provisions of this Agreement and apart from any suspension or revocation of the Service Provider's authority to continue rendering the Services hereunder as a result of the Service Provider's failure to comply with any laws and Acts.
- 16.4 For the purposes of clause 16.1 "impediment" does not include a lack of authorisation or the absence of licences, permits or approvals necessary or required by the Service Provider for the performance of this Agreement and to be issued by the appropriate public authority; and/or
- 16.5 Relief from liability for non-performance by reason of the provisions of this clause shall commence on the date upon which SAPO accepts the submission contemplated in clause 16.2 above, and shall terminate upon the date upon which such impediment ceases to exist; provided that if such impediment continues for a period of more than 30 (thirty) days either Party shall be entitled to terminate this Agreement by written notice to the other.
- 17. EMPLOYMENT OF KEY PERSONNEL SAPO**
- 17.1 The Service Provider shall not, during the subsistence of this Agreement and for a period of 12 (twelve) months after its expiry/termination, canvass or solicit for direct or indirect employment with the Service Provider the staff of SAPO (or proceed with any application by or on behalf of such staff for direct or indirect employment) who are at supervisory and management levels in those departments of SAPO that are responsible for the appointment of consultants and service providers.
- 17.2 The Service Provider acknowledges that the provisions of clause 17.1 above are reasonable for the avoidance of any perceived or real corruption in the appointment and/or treatment of the Service Provider or any service providers.
- 18. INTIMIDATION**
- 18.1 It is the intention of both Parties that the Service Provider and its Personnel deployed in terms hereof shall, as far as practically possible, not fail to carry out their duties as a result of any form of intimidation (including intimidation arising from any industrial strike). Should the Service Provider and/or its Personnel experience or be subjected to any form of intimidation, the Service

Provider shall take prompt action to report the matter to SAPO and the South African Police Service to remedy the situation.

- 18.2 Such action may include immediate replacement of the Personnel and a change to the Cash Conveyance Process.

19. **SUB-CONTRACTING IF APPLICABLE**

The Service Provider shall be permitted to sub- contract the Services solely to the sub- contractors, provided that the Service Provider shall ensure that such sub- contractors strictly comply with the provisions of this Agreement and the Service Provider shall indemnify and hold harmless SAPO against any loss and/or damage of whatsoever nature as a result of the failure of such sub- contractors to adhere to the terms of this Agreement.

20. **SPECIAL INSTRUCTIONS TO THE SERVICE PROVIDER**

- 20.1 Any special instructions of a material nature specific to a particular site or premises, given by SAPO to the Service Provider shall be confirmed in writing by SAPO's Contact Person.
- 20.2 The Service Provider shall adhere to such written specifications within 48 (forty eight) hours of such request being made, or within such shorter period as the circumstances may dictate.
- 20.3 In the event of SAPO terminating any Services rendered, it shall give the Service Provider not less than 30 (thirty) days prior written notice, except where otherwise agreed to in writing. Such termination will only be valid if signed by SAPO's authorised representative in accordance with SAPO's policies and procedures.

21. **MEETINGS**

- 21.1 The Service Provider or its duly authorised representative shall be required to attend regular meetings with SAPO's Senior Manager: Security and Investigations, or his delegatee at the relevant locality on which Services are provided to discuss the provision of Services, and the Service Provider warrants that any representative who attends such meetings on its behalf shall be duly authorised to do and to bind the Service Provider *vis a vis* all decisions taken and agreements reached. Minutes and records of such meetings shall be the responsibility of the Service Provider and shall be provided by the Service Provider to SAPO within 1 (one) week of the occurrence of such meeting.

- 21.2 The Service Provider shall also be required to attend meetings on a monthly basis with SAPO's Senior Manager: Security and Investigations, or his delegatee, to discuss matters relating to the execution of the Services and the administration of the Agreement in general. The Minutes of such meetings will be prepared by the Service Provider and shall be provided by the Service Provider to SAPO within 1 (one) week of the occurrence of such meeting.
- 21.3 The meetings contemplated herein shall have authority to deal with any operational issues, disputes, service credit issues and concerns that may arise between the Parties. In the event of any such issues or disputes remaining unresolved, the aggrieved Party shall escalate the issue or dispute to a meeting between SAPO's Senior Manager responsible for Security and Investigations for the relevant area, and the Service Provider's designated equivalent official. Should the issue or dispute remain unresolved at this level, the matter shall be dealt with in terms of clause 24 hereof.

22. REPORTING OF INCIDENTS AND WEEKLY REPORTS

22.1 Incidents and Accidents

- 22.1.1 All incidents or accidents involving the death of or injury to any person, any criminal offence committed at any Cash Collection Point, Cash Delivery Point and/or Cash Deposit Point that directly relates to the Services provided by the Service Provider in this Agreement shall immediately be reported to the local police station and to SAPO. A list of names and telephone numbers of SAPO's branch controlling officers to whom the said incidents or accidents shall be reported, shall be made available to the Service Provider within 3 (three) days of the Effective Date.
- 22.1.2 Details of all incidents or accidents occurring at any Cash Collection Point, Cash Delivery Point and/or Cash Deposit Point as per 22.1.1 above shall be reported immediately after the occurrence thereof by way of an initial written report sent by electronic mail or faxed to SAPO's Contact Person.
- 22.1.3 A full investigation will be conducted by the Service Provider, at the completion of which a second and final written report will be forwarded to the Head of Security and Investigations of SAPO within 21 (twenty one) days of such incident or accident. The report shall include the full details of the accident or incident and a report on the findings/ investigation.

22.2 **Weekly Reports**

In addition to the provision of the reports as recorded in clause 22.1, the Service Provider will provide SAPO with weekly reports on any and all Service Failures (per branch, per region) that occurred during the previous week, as well as full details and reasons for such Service Failures.

23. **DEFAULT**

23.1 Save as otherwise provided in this Agreement, should either Party commit a breach of any of the terms and conditions of this Agreement and fail to rectify such breach within a period of 7 (seven) days after written notice has been given to the defaulting party calling upon the default to be remedied such breach, then notwithstanding any previous indulgence on the part of the other Party and without prejudice to any other rights of the aggrieved party in terms of this Agreement or at common law, the aggrieved party shall be entitled, without further notice:

23.1.1 to cancel this Agreement immediately and to claim from the defaulting party payment for loss or damages suffered by the aggrieved party as a result of such default and/or such cancellation.

23.1.2 to enforce performance by the defaulting party in terms of this Agreement, which performance shall become immediately due and claimable from the defaulting party; and/or

23.1.3 to sue the defaulting party for and obtain damages arising from any such breach by the defaulting party.

23.2 Should:

23.2.1 the use of firearms by the Service Provider and/or its Personnel, agents or representatives be required for or in respect of the provision of the Services, and should the Service Provider's firearm licence/s be suspended, revoked or set aside by an appropriate authority or competent person for any reason whatsoever; or

23.2.2 the Service Provider act in conflict with or omit to comply with any Acts or programme referred to in this Agreement which act or omission has a direct or indirect bearing on the provision of the Services.

23.2.3 the Service Provider, cease to satisfy the Black Economic Empowerment criteria of SAPO as agreed in this Agreement,

then and in such event such revocation, suspension, act and/or omission shall be deemed to be an irremediable breach of this Agreement and SAPO shall be entitled, without notice to the Service Provider in terms of clause 23.1 to:

23.2.4 cancel this Agreement immediately and to claim payment from the Service Provider, of damages for such loss or damage as SAPO may suffer or have suffered as a result of such default on the part of the Service Provider and/or such cancellation, in which event SAPO shall be entitled to retain all moneys paid by or on behalf of the Service Provider in terms hereof, if any, until the actual amount of the damages sustained by SAPO has been determined by arbitration or some other means, and thereupon, if so allowed by the adjudicating forum, to set off such damages against such monies retained by SAPO; or

23.2.5 to enforce performance by the Service Provider in terms of this Agreement which performance shall become immediately due and claimable from the Service Provider.

23.3 Should either Party:

23.3.1 be liquidated, deregistered, or wound-up; and/or

23.3.2 undergo a change of control or sell its business or a major part of its business, or undergo an amalgamation of any kind, during the Agreement period; and/or

23.3.3 change its legal status without the prior written consent of the other and/or

23.3.4 dispose or attempt to dispose of all or a major part of its assets, during the Agreement period to a third Party; and/or

23.3.5 the controlling member/s of the either Party die, or be sequestered, or become legally, mentally or physically incapacitated during the Agreement period; and/or

then and in such event the aggrieved party shall be entitled, without notice to the other in terms of clause 23.1 to cancel this Agreement immediately and to claim payment from the defaulting party for damages or loss suffered by the aggrieved party as a result of such default on the part of the defaulting party

24. **ARBITRATION**

24.1 Should any dispute arise between the Parties in connection with:-

- 24.1.1 the formation, existence, interpretation or application of this Agreement;
- 24.1.2 the Parties' respective rights and obligations in terms of or arising out of this Agreement or its breach or termination;
- 24.1.3 the validity, enforceability, rectification, termination or cancellation, whether in whole or in part of, this Agreement;
- 24.1.4 any documents furnished by the Parties pursuant to the provisions of this Agreement or which relates in any way to any matter affecting the interests of the Parties in terms of this Agreement;

such dispute shall, unless resolved amongst the Parties to the dispute, be referred to and be determined by arbitration in terms of this clause.

- 24.2 Any Party to this Agreement may demand that a dispute be determined in terms of this clause by written notice given to the other Party.
- 24.3 This clause shall not preclude any Party from obtaining interim interlocutory or other relief on an urgent basis from a court of competent jurisdiction pending the decision of the arbitrator.
- 24.4 The arbitration shall be held:-
 - 24.4.1 at Pretoria;
 - 24.4.2 in accordance with the Arbitration Act, No 42 of 1965, it being the intention that the arbitration shall be held and completed as soon as possible.
- 24.5 The arbitrator shall be, if the matter in dispute is primarily:-
 - 24.5.1 a legal matter, a practising advocate or attorney of Pretoria, of at least 5 (five) years' standing;
 - 24.5.2 an accounting matter, a practising chartered accountant of Pretoria of at least 5 (five) years' standing;
 - 24.5.3 any other matter, any independent person as may be agreed upon between the Parties in dispute.
- 24.6 Should the Parties to the dispute fail to agree whether the dispute is principally a legal, accounting or other matter within 7 (seven) days after the arbitration was demanded, the matter shall be deemed to be a legal matter.

- 24.7 Should the Parties fail to agree on an arbitrator within 7 (seven) days after the giving of notice in terms of 24.2, the arbitrator shall be appointed at the request of either Party to the dispute by the Arbitration Foundation of South Africa.
- 24.8 The decision of the arbitrator shall be final and binding on the Parties to the dispute and may be made an order of the court referred to in 24.9 at the instance of any of the Parties to the dispute.
- 24.9 The Parties hereby consent to the jurisdiction of the High Court of South Africa (North Gauteng Division) in respect of the proceedings referred to in clause 24.8 hereof.
- 24.10 The Parties agree to keep the arbitration including the subject matter of the arbitration and the evidence heard during the arbitration confidential and not to disclose it to anyone except for purposes of an order to be made in terms of clause 24.8.
- 24.11 The provisions of this clause:-
- 24.11.1 constitute an irrevocable consent by the Parties to any proceedings in terms hereof and no Party shall be entitled to withdraw therefrom or claim at any such proceedings that it is not bound by such provisions;
 - 24.11.2 are severable from the rest of this Agreement and shall remain in effect despite the termination of or invalidity for any reason of this Agreement.
- 24.12 The arbitrator shall have the power to:
- 24.12.1 grant interim introductory relief, grant costs orders whether interim or final and to determine the procedure and time periods for lodgement of any papers in the arbitration;
 - 24.12.2 make such award, including an award for specific performance, an interdict, damages, account of profits, a penalty, an order as to costs, or otherwise as he in his sole discretion may deem fit and appropriate;
 - 24.12.3 investigate or cause to be investigated any matter, fact or thing which he considers necessary or desirable in connection with the dispute and, for that purpose, shall have the widest powers of investigating all documents and records of any Party having a bearing on the dispute;

- 24.12.4 interview and question any relevant person as to what he considers just and equitable in the circumstances;
- 24.13 The South African Law of evidence, both Common Law and Statutory Law, shall apply to the arbitration;
- 24.14 The arbitrator shall determine all disputes in accordance with substantive laws of the Republic of South Africa and shall have no jurisdiction to apply or consider issues of equity. It is furthermore recorded that the Parties expressly agree and acknowledge that the construction, validity and interpretation of this Agreement shall be governed in all respects by the substantive laws of the Republic of South Africa (and if the prescription laws of the Republic of South Africa are not considered to be substantive law thereof, by the prescription laws as well), such law having been expressly chosen by the Parties to this Agreement.
- 24.15 The Provisions of this clause 24 constitute an irrevocable consent by the Parties to any arbitration proceedings in terms hereof and neither Party shall be entitled to withdraw therefrom or claim at any such proceedings that it is not bound by such provisions; and
- 24.16 The provisions of this clause 24 are severable from the rest of this Agreement and shall remain in effect despite the termination of the Agreement for any reason whatsoever.

25. **GOOD FAITH AND CO-OPERATION**

Each of the Parties undertakes to:

- 25.1 conduct itself, in relation to the other Party hereto, in good faith with a view to supporting each other's business undertaking;
- 25.2 in the case of the Service Provider, ensure and/or encourage that it utilises the services of SAPO or any of its relevant business units or subsidiary companies for the provision of services rendered and offered by such entity or division of SAPO and which may be required by the Service Provider or any of its Personnel;

26. **DOMICILIA AND NOTICES**

26.1 The Parties hereby choose as their *domicilium citandi et executandi* for all purposes arising from or pursuant to this Agreement as follows:

26.2 Service Provider's <i>Domicilium:</i> Address: Tel Number:	
Contact Person	

26.3 SAPO:

SAPO's <i>Domicilium</i> Address: For Business Purposes Tel Number: Fax Number:	South African Post Office Limited National Post Centre (NPC) Cnr Sophie de Bryn and Jeff Masemola Street Pretoria (012) 407 7930 086 558 2321
Contact Person	Senior Manager: Security And Investigations

SAPO's <i>Domicilium</i> Address: (For Service of Notices and Summons) Tel Number: Fax Number:	Legal Services South African Post Office Limited National Post Centre (NPC) Cnr Sophie de Bryn and Jeff Masemola Street Pretoria (012) 649 7723 (086)687 0645
Contact Person	Group Executive: Legal Services

- 26.4 Either Party may, by written notice to the other Party, change its aforesaid *domicilium citandi et executandi* to any other address within the Republic of South Africa, which is not a post office box or *poste restante*.
- 26.5 Any notice given by either Party to the other which:
- 26.5.1 is delivered by hand during the normal business hours of the addressee at the addressee's *domicilium citandi et executandi* shall be rebuttably presumed to have been received by the addressee at the time of delivery;
- 26.5.2 is posted by registered mail, from an address within the Republic of South Africa, to the addressee at the addressee's *domicilium citandi et executandi* shall be rebuttably presumed to have been received by the addressee on the 7th (seventh) Business Day after the date of posting; and
- 26.5.3 is sent by telefax copier during the normal business hours of the addressee, to the addressee's *domicilium citandi et executandi*, shall be rebuttably presumed to have been received on the 1st (first) Business Day, following the date of successful transmission thereof.
- 26.6 The word "Agreement" and the number allocated to this Agreement shall be quoted by both Parties on all correspondence, notices or other documents of any description relating to this Agreement.

27. **GENERAL**

- 27.1 This Agreement constitutes the whole agreement between the Parties relating to the subject matter hereof.
- 27.2 No amendment or consensual cancellation of this Agreement or any provision or term thereof or any Agreement, bill of exchange or other document issued or executed pursuant to or in terms of this Agreement and no settlement of any disputes arising under this Agreement and no extension of time, waiver or relaxation or suspension of any of the provisions or terms of this Agreement or of any Agreement, bill of exchange or other document issued pursuant to or in terms of this Agreement shall be binding unless recorded in a written document signed by the Parties. Any such extension, waiver or relaxation or suspension which is so given or made shall be strictly construed as relating strictly to the matter in respect whereof it was made or given.
- 27.3 No extension of time or waiver or relaxation of any of the provisions or terms of this Agreement, bill of exchange or other document issued or executed pursuant to or in terms of this Agreement, shall operate as an estoppel against any Party in respect of its rights under this Agreement, nor shall it operate so as to preclude such Party thereafter from exercising its rights strictly in accordance with this Agreement.
- 27.4 No Party shall be bound by any express, implied or tacit term, representation, warranty, promise or the like not recorded herein, whether it induced the Agreement and/or whether it was negligent or not.
- 27.5 All provisions of this Agreement shall be severable and no provisions shall be affected by the invalidity of any other provision of this Agreement.

28. **WARRANTIES**

- 28.1 The Service Provider hereby expressly warrants that:
- 28.1.1 it and its Personnel, agents, sub- contractors and representatives are possessed of all the necessary skills, knowledge and experience *inter alia* to provide, perform, render and supply the Services;
- 28.1.2 the Services shall be provided, performed, rendered and supplied with the highest degree of skill, diligence and care, and in accordance with the current applicable ISO Standard at any given time;
- 28.1.3 the Service Provider has obtained all necessary authorisations, permissions, clearances and licences which it requires to provide,

perform, render and supply the Services, from all of the relevant official, administrative and governmental bodies or authorities;

28.1.4 all information supplied by the Service Provider in this Agreement and all annexures or at any time and in any other form subsequent to the conclusion of this Agreement, including without limitation all information regarding the age, health, education, training, and expertise of Personnel, and any aspect of the Services, shall be accurate and correct in every respect.

28.2 The warranties given by the Service Provider in this clause 28 as well as elsewhere in this Agreement, are material to this Agreement, and have induced SAPO to conclude this Agreement with the Service Provider.

29. **NO WARRANTIES OR REPRESENTATIONS**

The Service Provider hereby agrees that no warranties have been given by SAPO and no representations have been made by or on behalf of SAPO to the Service Provider except as contained in this Agreement.

30. **COMPLIANCE WITH THE ACTS**

30.1 The Service Provider warrants that it has knowledge of and complies with the Acts, and undertakes to comply with any amendments and/or substitutions in respect of such Acts.

30.2 If and to the extent that any provisions of this Agreement are in contravention of any provisions of the Acts, such provision shall (to the extent of such contravention) be *pro non scripto*.

31. **COSTS**

31.1 The costs of preparing this Agreement shall be borne in equal parts by the Service Provider and SAPO.

31.2 Should either Party pay to any third party the full costs aforesaid, such Party shall be entitled to demand payment of half of the payment so made from the other Party, which other Party shall be obliged to effect such payment within 10 (ten) days of receipt of the aforesaid demand.

32. **SPECIFIC OPERATING INSTRUCTIONS / STANDARDS (RISK MITIGATION)**

32.1 The Service Provider shall provide escort services (consisting of *inter alia*: rapid response vehicle/s with at least 2 (two) appropriately armoured

Personnel) on high-risk Cash Conveyance Processes'. For the purpose of this clause "high- risk" shall include all areas which are known to be targeted by criminals and all such areas which have been identified by SAPO and/or the South African Banking Risk Industry Committee and/or the National Joint Operational Committee of the South African Police Services as areas likely to be threatened by criminal activities.

- 32.2 The Service Provider must at all material times have back-up Vehicles on call.