national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

TO : DIRECTOR-GENERAL

Request to deviate from the normal procurement process to continue with the appointment of Telkom SA Soc Ltd for telephony services until 8 January 2028

FROM : Corporate Services

OFFICE OF THE DIRECTOR-GENERAL

DATE: 26/4/2024

REF: D67/4/1/1 (1524/24)

NATIONAL TREASURY

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National Treasury
REPUBLIC OF SOUTH AFRICA

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MEMORANDUM

TO	**DUNCAN PIETERSE**
FROM	**STADI MNGOMEZULU**
DIVISION	**CORPORATE SERVICES: INFORMATION & COMMUNICATION TECHNOLOGY**
DOC REF.	**ICT-219**
DATE	**24 APRIL 2024**

REQUEST TO DEVIATE FROM THE NORMAL PROCUREMENT PROCESS TO CONTINUE WITH THE APPOINTMENT OF TELKOM SA SOC LTD FOR TELEPHONY SERVICES UNTIL 8 JANUARY 2028

1. PURPOSE

1.1 The purpose of this memorandum is to request the Director-General to approve the deviation from the normal SCM Process to continue with the appointment of Telkom SA SOC Ltd for telephony services until 8 January 2028.

2. BACKGROUND

2.1 The National Treasury currently has a MSA and an SLA for telephony services with Telkom SA SOC Ltd, which is due to expire at the end of April 2024 **(Annexure A)**

2.2 The National Treasury uses the following Telkom services:

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2.2.1 ISDN PRI lines that underpin traditional voice and video conferencing communications technologies. There is no other service provider in the country that provides ISDN services. Telkom has traditionally been providing voice services on a best-effort service and did not enter into strict SLAs for the provision of voice services.

2.2.2 Hosted Unified Communication Solution that enables desktop phones and provides services to the Contact Centres of the National Treasury. This solution runs partly on the infrastructure mentioned in 2.2.1 **(Annexure B)** and also on the VPN Service mentioned in 2.2.3 below **(Annexure C).**

2.2.3 Dedicated Virtual Private Network – that supports video and smart data communication provided in 2.1.2 above.

2.2.4 In the Ministerial Residences, Telkom provides fibre connectivity that enables the Executive Authority and the Deputy Minister to perform their duties from their official residences together with traditional telephony services.

2.3 All National Treasury units depend on Telkom's traditional telephony service as offered through the desktop telephones as mentioned in 2.2.2 above. Specific units such as the Office of the Chief Procurement Officer (OCPO), Office of the Accountant General (OAG), Assets and Liability Management (ALM), and Corporate Services (CS) utilise Telkom's communication infrastructure for communication with their stakeholders both internally and externally at their contact centres.

2.4 The Hosted Unified Communications that the National Treasury has from BCX is a leading-edge technology that enables the integration of voice, video, and data. It also enables the integration of laptops/desktops, telephones, and mobile phones through Microsoft Teams. ICT is looking at ways of cost-effectively ensuring that officials are reached via MS Teams,

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telephone, or mobile numbers in an integrated manner. The capability exists within the procured solution except it requires more investment in licenses. ICT is also seeking to invest in proper video conferencing technologies as soon as the department is at new premises. This will render the ISDN PRI technology unnecessary thus enabling National Treasury to open up this unified communication service to more competitors when the contract expires.

2.5 Upon the expiry of both contracts, CS: ICT intends to consolidate all the services received from Telkom and BCX into one agreement. National Treasury will approach the market to acquire a unified solution through an open bidding process.

2.6 Section 4.1 of PFMA SCM Instruction note no 03 of 2021/22 for enhancing compliance, transparency and accountability in SCM allows the deviation in a specific case, where it is impractical to invite competitive bids.

3. FINANCIAL IMPLICATIONS

3.1 The Telkom Account costs over the past year are depicted in diagram 1 below.

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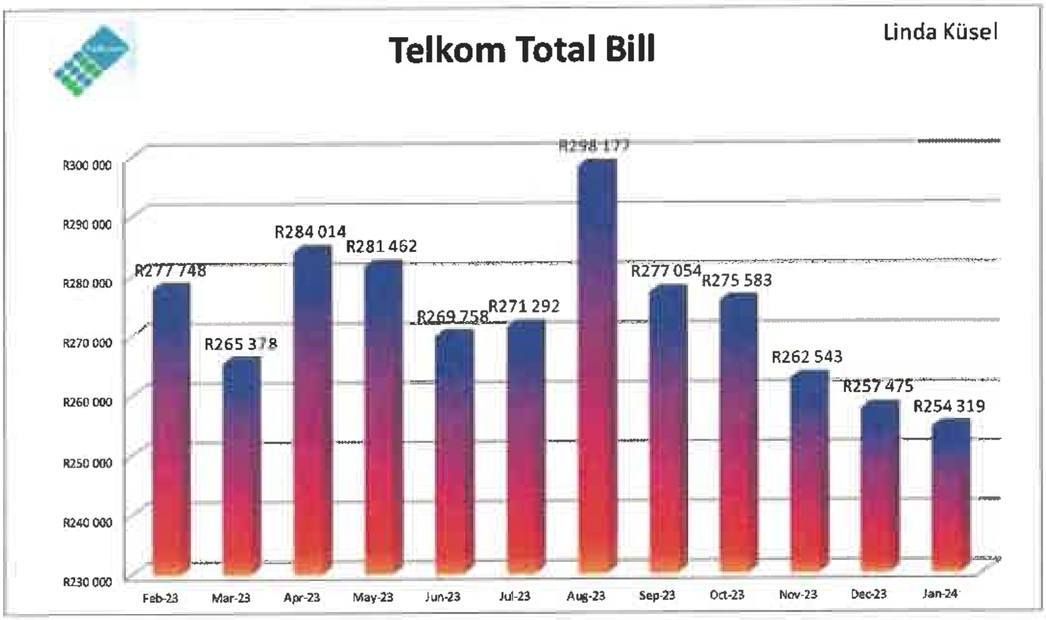

Diagram 1: Telkom historical expenditure

3.2 The total cost incurred from Feb 2023 until Jan 2024 is R3 274 803.26. The majority of the tariffs are governed by the Independent Communications Authority of South Africa (ICASA).

3.3. ICT has the funds for this project as per attached Budget Confirmation **(Annexure D)**.

4. RECOMMENDATION

4.1 It is recommended that the Director-General approve the deviation from the normal SCM Process to continue with the appointment of Telkom SA SOC Ltd for telephony services until 8 January 2028.

Compiled by Thulani Mafalala

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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEMORANDUM

☐ **RECOMMENDED** ☐ **NOT RECOMMENDED** ☐ **RECOMMENDED WITH COMMENTS**

Signature
Name and Surname:
JOE PHAGO

Title: CHIEF DIRECTOR: INFORMATION AND COMMUNICATION TECHNOLOGY
Date:

Or SignHub Signature

Signed by:Setotolwane Johannes Phago
Signed at:2024-04-25 09:43:26 +02:00
Reason:Witnessing Setotolwane Johanne

◉ **RECOMMENDED** ○ **NOT RECOMMENDED** ○ **RECOMMENDED WITH COMMENTS**

Signature
Name and Surname:
MOKGETHI MOLOTO

Title: ACTING DIRECTOR: SUPPLY CHAIN MANAGEMENT
Date:

Or SignHub Signature

Signed by:Lloyd Mokgethi Moloto
Signed at:2024-04-25 11:02:31 +02:00
Reason:Witnessing Lloyd Mokgethi Molot

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RECOMMENDED | NOT RECOMMENDED | RECOMMENDED WITH COMMENTS

Signature
Name and Surname:
SANDILE MALIMELA

TITLE: ACTING CHIEF FINANCIAL OFFICER
Date:

Or SignHub Signature
Signed by:Muhammad Khan
Signed at:2024-04-26 08:33:38 +02:00
Reason:Witnessing Muhammad Khan

M.K.

RECOMMENDED | NOT RECOMMENDED | ☑ RECOMMENDED WITH COMMENTS

Signature
Name and Surname:
STADI MNGOMEZULU

TITLE: DEPUTY DIRECTOR-GENERAL: CORPORATE SERVICES
Date: 26/04/2024

Or SignHub Signature
This is the best scenario taking into account that BXC is a wholly-owned subsidiary of TELKOM.

☑ APPROVED | NOT APPROVED | COMMENTS

Signature
Name and Surname:
pp **DUNCAN PIETERSE**

TITLE: DIRECTOR-GENERAL
Date: 26 April 2024

Or SignHub Signature

Annexure A(1)

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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

SERVICE LEVEL AGREEMENT

entered into between

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY

(Herein represented by Stadi Mngomezulu in his capacity as Deputy Director-General: Corporate Services duly authorized thereto)

(Hereinafter referred to as "the National Treasury")

And

TELKOM SA SOC LIMITED

(Registration number 1991/005476/30 herein represented by Busi Moale duly authorised thereto)

("Hereinafter referred as "the Service Provider")

J.M

S-J SS

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CLAUSE NUMBER AND DESCRIPTION		PAGE

S.J J.M SS

WHEREBY IT IS AGREED AS FOLLOWS:

1. PREAMBLE

1.1 **WHEREAS,** this SLA between the Parties sets out what constitutes applicable and recorded services between the National Treasury and the Service Provider.

1.2 **AND WHEREAS,** this SLA underpins the MSA with the Service Provider.

1.3 **AND WHEREAS,** all the provisions to the interpretation and definitions of words as contained in the Service Provider's As per attached Annexure E shall bear the same meaning herein.

NOW THEREFORE, the Parties agree as follows:

2. DEFINITION

2.1 the following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:

2.1.1 **"After hours"** means any other period outside of business hours and includes Saturdays, Sundays and Public Holidays (call out rates will apply);

2.1.2 **"Business hours"** means the Service Provider's standard hours of operation which are Monday – Friday 08h00 - 17h00;

2.1.3 **"Effective Date"** means the date of signature by the Party signing last in time;

2.1.4 **"MSA"** means the Master Services Agreement entered into by the Parties on 7 November 2014 and which became effective on 1 May 2014;

2.1.5 **"National Treasury"** means the National Treasury established in terms of section 5 of the Public Finance Management Act, 1999 (Act No.1 of 1999);

2.1.6 **"Parties"** means the Service Provider and the National Treasury and **"Party"** means either of them;

2.1.7 **"Services"** means the Services specified in the annexure A attached hereto;

2.1.8 **"Service Provider"** means Telkom SA SOC Limited, a state owned company with registration number 1991/005476/30 duly registered and incorporated in terms of the Companies Act, 2008 (Act No. 71 of 2008) ;

2.1.9 **"SLA"** means this Service Level Agreement and all annexures attached hereto and shall incorporate by way of reference the terms of the MSA ; and

SS S.J. J.M

2.1.10 **"Termination Date"** means 31 April 2019, unless terminated earlier in terms of this SLA.

2.2 any reference in this SLA to **"date of signature hereof"** shall be read as meaning a reference to the date of the last signature of this SLA.

3. APPOINTMENT

The National Treasury appointed the Service Provider to provide the Services as set out in annexure A and the Service Provider accepted such appointment subject to the Service Provider's standard terms and conditions or the provision of electronic communications of products and services. The Standard Terms and Conditions are available at http://www.telkom.co.za/.

4. DURATION

This Agreement shall commence on the Effective Date and shall terminate on 31 April 2019, unless terminated in terms of the MSA.

5. SERVICES

The Services to be rendered in terms of this SLA are set out in **Annexure A** hereto.

6. SERVICE CHARGES

6.1 The Service Provider shall be paid for the telephony services in accordance with the approved tariffs as defined by the Independent Communications Authority of South Africa (ICASA).

6.2 Any payment by the National Treasury for Services rendered in terms of this SLA shall be subjected to the following requirements:

6.2.1 The Service Provider must furnish the National Treasury with a written invoice,

6.2.2 The National Treasury will pay the Service Provider within 30 (thirty) days of receipt of a valid invoice.

6.2.3 The Service Provider shall be entitled to render monthly accounts for the duration of the Services, and

6.2.4 The Service Provider shall submit invoices to scminvoices@treasury.gov.za

SS S.J J.M

7. OBLIGATIONS OF THE SERVICE PROVIDER

The Service Provider shall –

7.1 in response to performance issues identified in consultation with the National Treasury take steps to address issues of inadequate performance; and

7.2 adhere to agreed service levels and response times.

8. OBLIGATIONS OF THE NATIONAL TREASURY

The National Treasury shall –

8.1 report and escalate problems through the Service Provider's defined process; and

8.2 provide reasonable access to its premises during Business hours and After hours to the Service Provider's personnel.

9. ASSIGNMENT SITE

The sites for which services rendered are:

- SITA Centurion, Pretoria,
- 240 Madiba Street, Pretoria,
- 40 Church Square, Pretoria,
- 120 Plein Street, Cape Town, and
- Other Services are installed at the Minister of Finance and Deputy Minister of Finances' residences however the addresses thereof are of a confidential nature.

10. QUARTERLY REVIEWS

Service Reviews will be held on a quarterly basis. Should there be any formal complaints or issues that need to be raised with the National Treasury, the Parties agree to try resolving their differences internally in good faith.

11. SERVICE IMPROVEMENT COMMMITMENT

The Service Provider shall in response to performance issues identified in consultation with the National Treasury take steps to address the issue of inadequate performance.

CS S.J. J.M

12. ESCALATION PROCEDURES

Should an issue not be satisfactorily resolved, the Director: Service Support and Delivery will escalate it to the Chief Director: Information and Communication Technology who will in consultation with the Service Provider try to resolve the matter. Should any matter remain unresolved, it will be dealt with in accordance with the provisions of the Service Provider's standard terms and conditions as per **Annexure B.** From an external perspective, the Chief Director: Information and Communication is the single point of contact and should any issues need to be escalated, the Service Provider may respond only to escalated matters received from the Chief Director: Information and Communication Technology.

13. SERVICE IMPROVEMENT COMMITMENT

The Service Provider must in conjunction with the National Treasury formulate a plan to continuously monitor the Services provided and put plans in place to improve upon the Services provided.

14. SERVICE REPORTING

The service reporting process reports on the results achieved both operationally and strategically. It also reports on any developments related to service levels agreements.

15. BUSINESS CONTINUITY

In the event of a disaster, the Service Provider must, at the National Treasury's costs, work with the National Treasury to restore Services at the current location or at an alternative location if so required. The Service Provider shall not accept any liability for disaster recovery.

16. SECURITY

All the Service Provider personnel will at the National Treasury' premises, adhere to the National Treasury security policies and processes which will be provided in advance prior the date of the visit.

17. COMMUNICATION

All complaints and suggestions should be addressed to the Chief Director: Information and Communication Technology.

SS. S.J J.M.

Contact Information as follows:-		
1.	Name of Service Provider	Telkom SA
2.	Name of client	The National Treasury, Corporate Services, ICT business unit
3.	Registration number of the National Treasury	Government body enacted by legislation
4.	General correspondence in respect of the Service Provider:	Physical address: 92 Oak Avenue, Centurion Pretoria,0002
5.	Notice for delivery of legal documents in respect of the National Treasury:	Physical address: 240 Madiba Street, Pretoria, 0002 E-mail: joe.phago@treasury.gov.za Attention: Mr. Joe Phago
6.	General correspondence in respect of the National Treasury:	Postal address: National Treasury, Private Bag X 115, Pretoria, 0001 Fax: 012 315 5695 Attention: Mr. Joe Phago
7.	Designated representative for the Service Provider:	Busi Moale
8.	National Treasury representative	Mr Joe Phago

18. AMENDMENT

Any amendments to this SLA must be reduced in writing and signed by the Parties.

S.J. SS J.M.

SIGNED by the Parties and witnessed on the following dates and at the following places respectively:

DATE	PLACE	WITNESS	SIGNATURE
		1.	For: **THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY**
7/11/17	Pretoria	2.	
		1.	For: **THE SERVICE PROVIDER**
		2.	

SIGN HERE

S.J. SS

Annexure A

1. INTRODUCTION

Voice and data connectivity will be provided by the Service Provider to the National Treasury as listed below.

2. TELEPHONY SERVICES

The following telephony services will be provided by the Service Provider:

i. ADSL and ISDN lines;
ii. PRI Lines (Telephone line services);
iii. Diginet lines;
iv. Internodal links;
v. Speed link line;
vi. Analogue lines; and
vii. Telkom internet access services.

3. HOURS FOR SERVICE REQUIREMENTS

i. Normal Business Hours – 08h00 – 17h00
ii. After Hours including weekends and public holiday (all times outside of the normal Business Hours.
iii. Access to the buildings will be available at all hours (where so requested)

SJ ES J.M

Annexure A(3)

ADDENDUM TO MASTER SERVICES AGREEMENT

BETWEEN

TELKOM SA SOC LIMITED

AND

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY

Original document 2 of 2
Customer Copy

ADDENDUM TO MASTER SERVICES AGREEMENT

Between

TELKOM SA SOC LTD

Company Registration Number	1991/005476/30
VAT Number:	4680101146
Physical Address	The Hub Telkom Park, 61 Oak Avenue Techno Park Highveld Centurion, Pretoria

(hereinafter referred to as "**the Service Provider**")

and

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY

Company Registration Number	Government
Physical Address	MZ Floor, 240 Madiba Street, Pretoria, 0002
Postal Address	Private Bag X 115, Pretoria, 0001
Telephone Number	012 315 5695
Contact Person	Mr. Joe Phago
Email Address	joe.phago@treasury.gov.za

(hereinafter referred to as "**the National Treasury**")

(All "**the Parties**")

Initials: J.M

WHEREBY IT IS AGREED AS FOLLOWS:

PREAMBLE

WHEREAS, the Parties entered into the Master Services Agreement on 7 November 2014 in terms of which the Service Provider was to render Services to the National Treasury.

AND WHEREAS, the Parties have agreed to extend the duration of the Master Services Agreement for a further period of five (5) years and subsequently amend the Master Services Agreement to reflect same.

NOW THEREFORE, the Parties agree as follows:

1. INTERPRETATION AND PRELIMINARY

In this addendum:

1.1 **"Master Services Agreement"** means the agreement between the National Treasury and the Service Provider signed on 7 November 2014 and which became effective on 1 May 2014.

1.2 Save as prescribed herein, all the provisions pertaining to the interpretation and definition of the words as contained in the Master Services Agreement and the Service Level Agreement shall bear the same meanings herein and continue to be of full force for its period.

2. RECORDAL

2.1 This addendum records the terms of the agreement to amend sub-clause 1.2.16 of the Master Services Agreement.

2.2 The amendments set out in this addendum are done in terms of clause 26.2 of the Master Services Agreement.

Initials: G · J.M

3. AMENDMENT TO THE MASTER SERVICES AGREEMENT

Sub-clause 1.2.16 of the Master Services Agreement is hereby deleted in its entirely and replaced with the following clause:

"1.2.16 **"Termination Date"** means 31 January 2022, unless terminated earlier in terms of this Agreement."

SIGNATURE PAGE: FOR ADD TO MASTER SERVICES AGREEMENT

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by and through their duly authorised representatives.

SIGNED at Centurion on this 19th day of December 2017 in the presence of the undersigned witnesses

WITNESSES	TELKOM SA SOC LIMITED
1. SIGNATURE	SIGNATURE
Sithembile Sereme PRINT NAME	Lisi Male PRINT NAME
	Managing Executive CAPACITY

Initials: J.M

CO-SIGNED at ____________________ on this ______ day of ______________ 20____ in the presence of the undersigned witnesses

WITNESSES

TELKOM SA SOC LIMITED

1. ____________________
SIGNATURE

____
SIGNATURE

Glory Masango
PRINT NAME

Sithembile Serane
PRINT NAME

Account Executive
CAPACITY

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

SIGNED at Pretoria on this 9 day of January 2018 in the presence of the undersigned witnesses

WITNESSES	THE NATIONAL TREASURY
1. SIGNATURE	SIGNATURE
Joyce Mchunu PRINT NAME	Stadi Mngomezulu PRINT NAME
	Deputy Director General CAPACITY

By signing this signature page the Parties agree to be bound by this Signature Page, preceding terms and conditions and attached Annexures which are incorporated in this Agreement by reference.

Initials: J.M

Annexure B

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

SERVICE LEVEL AGREEMENT

FOR A HOSTED COLLABORATION SOLUTION (HCS)

entered into between

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY
(Herein represented by Stadi Mngomezulu in his capacity as Deputy Director-General: Corporate Services duly authorised thereto)
(Hereinafter referred to "the National Treasury")

And

BUSINESS CONNEXION (PTY) LTD t/a BCX
(A private company with registration number 1993/003683/07 herein represented by Omar Dawjee in in his capacity as Executive: Sales Account Management duly authorised thereto)
("Hereinafter referred as "the Service Provider")

SJ JSM

O.D. T.M.

TABLE OF CONTENTS:

JSM

O.D. T.M.

SJ JSM

O.D. T.M.

WHEREAS the Service Provider has proposed a Hosted Collaboration Solution (HCS) as set out in this Agreement and the Customer wishes to utilise the HCS service, therefore the Parties agree as follows:

This Agreement is subject to the following terms and conditions.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

1.1.1 In this Agreement, unless inconsistent with or otherwise indicated by the context, the following words shall have the meanings ascribed to them below:

1.1.2 "Act" means the Electronic Communication Act 36 of 2005;

1.1.3 "Agreement" means this agreement together with all annexures thereto and any subsequent changes documented and signed by both Parties;

1.1.4 "Basic Services" means the provision of electronic communications services and products by the Service Provider to the Customer in accordance with the Electronic Communications Services license and the Electronic Communications Act 36 of 2005, which are considered as 'off the shelf' and unmanaged services and products;

1.1.5 "Business Day" means any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa;

1.1.6 "Business Hours" means 07:00 to 17:00, on Business Days;

1.1.7 "Capital Costs" means expenses incurred by the Service Provider related to the provisioning of the Service(s), including but not limited to costs of routers (depreciation and amortisation losses), unrecovered installation and configuration charges, professional fees etc; or "Commissioned"

1.1.8 "Confidential Information" means, without limiting the generality of the term:

1.1.9 information relating to the Disclosing Party's strategic objectives and planning for both its existing and future needs;

1.1.10 information relating to the Disclosing Party's business activities, business relationships, products, services, customers and clients (including that of its

SJ JSM

O.D. T.M.

associated or affiliated companies);

1.1.11 information contained in the Disclosing Party's software and associated material documentation;

1.1.12 technical, scientific, commercial, financial and market information, know-how and trade secrets;

1.1.13 data concerning business, relationships, architectural information, demonstrations, processes and machinery;

1.1.14 plans, designs, drawings, functional and technical requirements and specifications; and

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

1.1.16 but excluding information or data which:

1.1.17 is lawfully in the public domain at the time of disclosure to the Receiving Party;

1.1.18 subsequently becomes lawfully part of the public domain by publication or otherwise through no fault or breach on the part of the Receiving Party;

1.1.19 the Receiving Party can demonstrate to have had rightfully in its possession prior to disclosure to the Receiving Party;

1.1.20 the Receiving Party rightfully obtains form a third party who has the right to disclose such information;

1.1.21 is independently arrived at or developed by the Receiving Party separate and independent from the disclosure made by the Disclosing Party;

1.1.22 is disclosed by the Receiving Party to satisfy an order of a court of competent jurisdiction or to comply with the provisions of any law or regulation in force from time to time; provided that in these circumstances, the Receiving Party shall advise the Disclosing Party to take whatever steps it deems necessary to protect the interest in this regard; provided further that the Receiving Party will disclose only that portion of the information which it is legally required to disclose and the Receiving Party will use its reasonable endeavours to protect the confidentiality of such information to the widest extent possible in the circumstances;

SJ JSM

O.D. T.M.

1.1.23 provided that the onus shall at all times rest on the Receiving Party to establish that such information falls within the exceptions contained in clauses 1.1.5.8.1 to 1.1.5.8.6 and provided further that information disclosed in terms of this Agreement will not be deemed to be within the foregoing exceptions merely because such information is embraced by more general information in the public domain or in a Party's possession. Any combination of features will not be deemed to be within the foregoing exceptions merely because individual features are in the public domain or in a Party's possession, but only if the combination itself and its principle of operation are in the public domain or in a Party's possession;

1.1.24 "Customer" or "National Treasury" means the National Treasury established in terms of 5 of the Public Finance Management Act, 1999 (Act No.1 of 1999);

1.1.25 "Data Protection Legislation" means the Protection of Personal Information Act, 2013, the Electronic Communications and Transactions Act 25 of 2002, and including any of their regulations and amendments thereto from time to time;

1.1.26 "Disclosing Party" means any Party who discloses Confidential Information to the other Party;

1.1.27 "Effective Date" means the 9 January 2023 irrespective of date of signature;

1.1.28 "Equipment" means the Service Provider supplied Equipment as is more fully described in Annexure A.

1.1.29 "Hosted Collaboration Solution (HCS)" or "Solution" means the solution, which are the Services provided by the Service Provider in terms of Annexure A.

1.1.30 "Implementation Plan" means a detailed document to be prepared by the Service Provider in consultation with the Customer which lists the activities, expected difficulties, schedules, and other relevant matters that are required in respect of the rendering and completion of the Services;

1.1.31 "Initial Period" means the term of this Agreement;

1.1.32 "Intellectual Property" means whatever trademarks (whether registered or not) inventions, patents (both registered and unregistered), copyrights, registered and unregistered designs, know-how and other intellectual property vesting in a Party by the operation of law;

1.1.33 "Local Area Network (LAN)" means the cabling, personal computers, file servers

SJ JSM

O.D. T.M

and any other applications situated on the Customer's premises.

1.1.34 "Service Levels" means the metrics that the Service Provider will be measured against for the delivering of the Services provided for in Annexure C.

1.1.35 "Party/the Parties" means the Service Provider and the National Treasury Party means either of them;

1.1.36 "Receiving Party" means any Party who received or acquires the Confidential information of the other Party under any circumstances whatsoever;

1.1.37 "Site(s)" means the site(s) or location(s) allocated by Customer where the Services will be rendered in this Agreement, listed in Appendix B;

1.1.38 "Payment Date" means a date of payment within thirty (30) days from the date of invoice issued by the Service Provider and/or a due date as indicated on the account rendered by the Service Provider (which is within twenty-one (21) days after the date of the said invoice in respect of Service subject to Standard terms and Conditions;

1.1.39 "PFMA" means the Public Finance Management Act no 1 of 1999 as amended from time to time;

1.1.40 Resource(s)" means the personnel which will be supplied by the Service Provider to the National Treasury to render the Services;

1.1.41 "Services" means the Unified Collaboration Solution as set out in annexure A;

1.1.42 "Service Provider" means Business Connexion (Pty) Ltd t/a BCX, a private company with registration number 1993/003683/07 duly incorporated and registered in terms of the Companies Act, 2008 (Act No. 71 of 2008), with its Holding Company as Telkom SA SOC Ltd;

1.1.43 "Signature Date" means the signature date of the Party signing last in time;

1.1.44 "Site(s)" means the Customer location(s) where the Services will be provided as recorded in clause 28; and

1.1.45 "Termination Date" means 60 (sixty) months from the effective date, unless terminated earlier in terms of this Agreement.

1.2 Interpretation

SJ JSM

T.I. O.D. T.M.

1.2.1 If any definition contains a substantive provision conferring rights or imposing obligations on a Party, effect shall be given to it as if it were a substantive provision in the body of this Agreement, notwithstanding that it is only in the definition clause.

1.2.1 The clause headings in this Agreement and the annexures have been inserted for convenience and reference only and shall not be taken into account in its interpretation.

1.2.2. Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.

1.2.3 Words and expressions defined in any sub-clause shall, for the purposes of the clause of which that sub-clause forms part, bear the meaning assigned to such words and expressions in that sub-clause.

1.2.4 This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Republic of South Africa.

1.3 Any reference to the singular shall include the plural and vice versa;

1.1.1 natural persons include legal persons and vice versa;

1.3.2 a gender includes the other gender.

1.1.3 A reference to anybody is:

1.1.3.1 f that body replaced by another organisation, deemed to refer to that organisation; and

1.1.3.2 if that body ceases to exist, deemed to refer to the organisation which most nearly or substantially serves the same purposes as that body;

1.1.4 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.

1.1.5 Where any term is defined within the context of any 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 term has not been defined in this interpretation clause.

SJ JSM

O.D. T.M

1.1.6 Where any period of days or Business Days is to be calculated from a particular day in terms of this Agreement, such period shall be calculated as excluding such particular day and commencing on and including the day or Business Day thereafter. If the aforesaid calculation pertains to days, and the last day falls on a day which is not a Business Day, the last day shall be the next succeeding Business Day.

1.1.7 Each of the provisions of this Agreement has been negotiated by the Parties and drafted for the benefit of the Parties and accordingly the rule of construction that the contract shall be interpreted against or to the disadvantage of the Party responsible for the drafting or preparation of the Agreement (i.e. the contra proferentem rule), shall not apply.

1.1.8 No rule of construction shall be applied to the disadvantage of a Party because that Party was responsible for or participated in the preparation of this Agreement or any part of it.

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

1.1.10 The words "other" and "otherwise" shall not be construed eiusdem generis with any preceding words where a wider construction is possible.

1.1.11 The provisions of Chapter III of the Electronic Communications and Transactions Act, 25 of 2002, are hereby excluded in the application, construction and interpretation of this Agreement.

1.1.12 Except where expressly provided as being in the sole discretion of a Party, where agreement, approval, acceptance, consent, or similar action by either Party is required under this Agreement, such action will not be unreasonably delayed, withheld or conditioned. An approval, acceptance, consent or similar action will not be unreasonably delayed or withheld. 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 approval or consent. Unless otherwise specifically indicated, all consents and approvals by a Party under this Agreement must be in writing to be valid.

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1.1.13 References to a statutory provision included any subordinate legislation made from time to time under that provision and include that provision as modified or re-enacted from time to time.

2. AGREEMENT DOCUMENTS

2.1. The following documents form part of this Agreement and shall be read in conjunction with this Agreement:

2.1.1 Annexure A: Solution Description

2.1.2 Annexure B: Solution Pricing

2.1.3 Annexure C: Service Levels

2.2. In the event of any ambiguity between these documents, the following order of precedence shall apply:

2.2.1 This Agreement

2.2.2 The Annexures A, B and C

3. SCOPE OF AGREEMENT

3.1 This Agreement is for the implementation of the Hosted Collaboration Solution as set out in Annexure A.

3.2 The Service Provider will be responsible for the design, planning and project implementation. The access devices, as indicated in Annexure A, will be rented to the Customer by the Service Provider to provide the Services.

3.3 It is agreed between the Parties that if a redesigning of the Hosted Collaboration Solution is necessary because of changes in requirements, or if information supplied by the Customer in terms of Annexure A differs from the actual requirements, redesigning of the network will be necessary with cost and contractual implications to be incorporated with written mutual agreement between the Parties. In the absence of such agreement, the Parties agree to adhere to the initial design as agreed to.

4. SERVICES

4.1 The Service Provider shall provide the services to the Customer, which is more fully described in Annexure A, being the Service Provider's Hosted Collaboration Solution.

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4.2 The Services provided in terms of this Agreement are subject to the Act, any provisions of the Service Provider's Electronic Communications Service Licenses (ECS) as issued.

5. SERVICE DESK

5.1 The Service Provider will make available a Service Desk with a contact number as set out in Annexure C.

5.2 Refer to Annexure C regarding the Service Desk & the escalation procedure.

6. SOLUTION PROVISION

6.1 Action Plans

The Service Provider will be responsible to provide the HCS Services described in Annexure A.

6.2 Planning and Scheduling

6.2.1 Any additional installations or changes to the Solution can be accommodated on request by the Customer but the Customer acknowledges that additional charges may be levied and additional lead times can result from such deviation. In order to allow necessary time for installation planning, the actual installation date for each site will be notified to the Customer by the Service Provider. Installations are normally scheduled for completion at any time during Business Hours. The Customer's personnel will provide access to the site, and the Customer's personnel may occasionally be requested to keep the site open after Business Hours to allow timely completion of the installation, unless otherwise agreed between the Parties.

6.2.2 The Customer hereby grants the Service Provider and the Service Provider's authorised representatives or sub-contractor access to any Equipment installed on the Customer's premises for the purpose of the Service Provider performing the work required under this Agreement.

6.2.3 The Customer will be responsible for the insurance of the Service Provider Equipment on the Customer's premises.

6.2.4 The Customer's will provide the Service Provider with any and all information relating to the existing Information Communications Technology ("ICT") infrastructure and Services. If any due diligence and/or audits of the ICT infrastructure and Services is necessary, the Customer will be responsible for such

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costs.

6.2.5 The Customer's personnel shall co-operate with the Service Provider service representative, as required, for installation, troubleshooting, and fault isolation.

6.2.6 The Customer will be responsible for isolating and rectifying faults on any equipment of the Customer connected to the Service Provider's Solution.

6.2.7 The Customer shall only use the Solution in accordance with the provisions of the Act and if the Customer does not comply with the Act, it will be regarded as a material breach of this Agreement.

6.3 Implementation Plan

6.3.1 Installations in order for the Customer to receive the Services as set out in this Agreement will be performed according to an Implementation Plan to be provided and maintained by the Service Provider with the co-operation of the Customer, but which will conform to and not be in conflict with this clause. In order to allow necessary time for installation planning, the actual installation date for each site will be notified to the Customer by the Service Provider. Installations are normally schedule for completion at any time during Business Hours, unless otherwise agreed on the Implementation Plan.

6.3.2 It is recognised that the Implementation Plan will be a living document, subject to being changed by the Service Provider with the co-operation of the Customer but shall not be in conflict with the provisions of this Agreement and in particular this clause.

6.3.3 Documentation of the Implementation Plan will be kept up to date by the Service Provider and will be constantly available to the Customer.

6.3.4 The Implementation Plan may result in the number of months of service provision being reduced depending on how long it takes to implement.

6.3.5 The Customer will ensure that its personnel will provide access to the sites and such personnel may occasionally be requested to keep the sites open after Business Hours to allow timely completion of installations.

6.3.6 Joint Responsibilities

Each Party will designate, in writing, a Project Manager, from time to time and for the time being, who will represent a Party in all aspects of the provision of the

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Solution for the implementation period, which is defined in the Implementation Schedule.

7. SOLUTION CHANGES

No amendment or consensual cancellation of this Agreement or any provision or term hereof or of any agreement 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 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 (or in the case of an extension of time, waiver or relaxation or suspension, signed by the Party granting such extension, waiver or relaxation). Any such extension, waiver, 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.

8. SUSPENSION

8.1 The Service Provider may from time to time suspend the Services rendered in terms of the Solution in any of the following circumstances:

8.2 if the Customer fails to comply with any of the terms and conditions of this Agreement (including failure to pay any charges due) after seven (7) days' notice was given to the Customer until the breach (if capable of remedy) is remedied; or

8.3 during any modification or maintenance of the Service Provider's Equipment provided that the Service Provider will notify the Customer three (3) working days in advance of such suspension.

9. CHARGES AND PAYMENT

9.1 The prices for the Services provided in terms of the HCS to be provided hereunder are set forth in Annexure B.

9.2 The Service Provider will commence invoicing the Customer as from the Effective Date site as listed in Annexure A. the Service Provider will invoice (by way of TAX invoices) all charges hereunder on a monthly basis and the Customer will pay all invoices submitted hereunder within thirty (30) days from date of invoice). The Customer agrees to pay interest on demand on any service charges and any other invoiced amount which are not disputed that is unpaid more than the due date as indicated on the account rendered by the Service Provider, at the prime overdraft rate of ABSA Bank plus two percent (2%), compounded monthly, not to exceed the maximum rate permitted by law.

9.3 The charges for the Services provided in terms of the HCS will be adjusted on the first (1st) of January of each year, based on the percentage change in the year on year (December on December) Consumer Price Index (CPI) Headline Inflation Rate as published by Statistics South Africa - or if the publication of

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such Index is discontinued, the most similar Index as compiled and published monthly by Statistics South Africa in a statistical news release or anybody authorised in its stead, in terms of the Statistics Act 1976 as amended (or any statute replacing such Act). The charges in Annexure B shall also be subject to the exchange rate variations (where applicable).

10. TERM AND TERMINATION

10.1 This Agreement will come into force and effect on the Effective Date and will endure for an initial period of Sixty (60) months, calculated from the Effective Date.

10.2 If the Service Provider has not received payment within thirty (30) days from date of invoice and such default has not been corrected within fourteen (14) days after notice thereof has been given to the Customer by the Service Provider, the Service Provider will be entitled to cancel this Agreement without prejudice to the Service Provider's rights in terms of this Agreement.

10.3 If either Party ("Defaulting Party") fails to remedy promptly any other breach of this Agreement on receiving fourteen (14) days or such longer period as may be reasonable in the circumstances, written notice from the other Party ("non-Defaulting Party) requiring it to do so, then the non-Defaulting Party may immediately terminate this Agreement.

10.4 Termination will not discharge either Party from performing any obligation already due or from making payment of any sums already due or becoming due by reason of the termination.

10.5 Upon termination, for whatever reason, the Customer will no longer have any right to the use of the Equipment and will immediately make available all Equipment supplied pursuant to any provisions of this Agreement, and the Service Provider may enter any premises to recover or remove such Equipment.

10.6 If this Agreement shall terminate, or be terminated at any time by reason of the act, default or breach of this Agreement by the Customer, then the Customer will be liable to pay forthwith to the Service Provider:

10.7 all arrear charges, upfront charges incurred by the Service Provider to provide the solution and management service charges (if any) and other sums due at the date of termination;

10.8 to leave the Service Provider with the same income as would have been obtained if it was not for the termination.

10.9 The National Treasury shall be entitled to immediately terminate this Agreement if one or more of the following occur –

10.9.1 The Service Provider conducts itself in a manner which brings or is likely to bring the

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National Treasury into disrepute; and

10.9.2 The Service Provider breaches any term of this Agreement and fails to remedy such breach within 10 (ten) Business Days of notice of breach from Customer or such other reasonable extended time, taking into consideration the nature of the breach and the consequences thereof.

10.10 Should any of the events stated in clause 10.7 above occur the National Treasury shall be entitled to terminate this Agreement provided that at least 14 (fourteen) business days' written notice of its intention to terminate has been furnished to the Service Provider.

10.11 The National Treasury shall be entitled to immediately terminate this Agreement if any one or more of the following occur –

10.11.1 The Service Provider is provisionally or finally liquidated, making it impossible for the Service Provider to perform its functions in terms of this Agreement;

10.11.2 The Service Provider enters into settlement arrangements with its creditors; or

10.11.3 The Service Provider commits an act of insolvency.

10.11.4 Notwithstanding the provisions above, either Party may terminate this Agreement by giving the other Party 1 (one) calendar months' notice to that effect.

11. LIMITATION OF LIABILITY

11.1 Neither the Service Provider nor its subcontractors will be liable for:

11.1.1 defamation, or infringement of copyright from or in connection with the transmission of communications hereunder;

11.1.2 any claim arising out of any act or omission of the Customer or any other entity furnishing services or Equipment for use in conjunction with the Equipment and Service provided hereunder;

11.1.3 any unlawful or unauthorised use of the Equipment or Services provided hereunder by the Customer, its employees, agents, or invitees; or

11.1.4 any claim arising out of a breach in the privacy or security of communications transmitted over the facilities or other property of the Service Provider.

11.2 The Service Provider shall, in the carrying out of any work, take all reasonable precautions for the safety of the Customer and its property, against damages as result of the provision,

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installation or maintenance of the Service Provider's services and/or the provision of its services. The Service Provider shall only be liable for direct damages or injury that may be caused by the Service Provider's negligence to any work or property of the Customer. Any work in connection with the provision, installation or maintenance of any communication facility shall be carried out by the Service Provider, in such a way as to avoid as far as possible, loss or inconvenience to the Customer or the public, and on completion of such work, any property of the Customer or land which may have been disturbed shall be restored to the same condition as that in which it was before the provision, installation or maintenance of the service.

11.3 Subject to clause 11.4 below, in no event will the Service Provider or its subcontractors be liable to Customer or anyone else for special, collateral, exemplary, indirect, incidental or consequential damages (including without limitation, loss of goodwill, loss of profits or revenues, loss of savings, loss of use, interruptions of business, and claims of Customer), whether such damages occur prior or subsequent to, or are alleged as a result of, delict or breach of any of the provisions of this Agreement, even if the Service Provider has been advised of the possibility of such damages. All warranties that may be deemed applicable to the Equipment or services, including but not limited to implied warranties of merchantability or fitness for a particular purpose, are expressly disclaimed.

11.4 The limitations envisaged in clause 11.3 above shall not apply in respect of: -

11.4.1 fraud, gross negligence or intentional misconduct;

11.4.2 death of, or personal injury;

11.4.3 breach of intellectual property rights and confidentiality obligations;

11.4.4 third party claims (including penalties imposed by regulatory authorities); and

11.4.5 claims that cannot be limited or excluded, in law.

11.5 The remedies of the Customer set forth herein are exclusive and in lieu of all other remedies, express or implied.

12. WAIVER OF INDIRECT DAMAGES.

In no event, shall either party be liable with respect to its obligations under or arising out of this agreement and/or any service level agreement, for any indirect or consequential loss or damages, loss of profit or data loss or data corruption.

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13. ASSIGNMENT

Neither Party hereto may assign this Agreement nor any portion hereof without the prior written consent of the other Party which consent shall not be unreasonably withheld. Any assignment agreed to by the other Party hereto will not relieve the assigning Party of any obligations with respect to any covenant, condition, or obligation required to be performed by the assigning Party under this Agreement.

14. INDEPENDENT CONTRACTOR AND SUBCONTRACTING

The relationship between the Service Provider and Customer under this Agreement will be that of an independent contractor. The Service Provider will exercise its own discretion on the method and manner of performing its obligation hereunder.

Customer agrees that the Service Provider may, at its sole discretion, subcontract the whole or any part of its obligations under this Agreement and the Service Provider agrees that it will retain full responsibility for such obligations despite such subcontract.

15. TITLE AND RISK OF LOSS

15.1. The ownership in and to any Equipment installed by the Service Provider on the Customer's premises (hereinafter referred to as Equipment) shall be vested in the Service Provider. The risk of loss or damage to the Equipment installed by the Service Provider on the Customer's premises shall be vested in the Customer. The Customer shall be liable for any loss or damage to the Service Provider Equipment installed on the Customer's premises.

15.2 The Customer will at all times:

15.2.1 keep the Equipment safe and secure in its possession and shall not sub-let such Equipment or allow any third party to use such Equipment at the sites specified in Annexure C or at such other address as may be approved in writing by the Service Provider;

15.2.2 not make any alteration to the Equipment nor use the Equipment or permit it to be used for any purpose for which it is not designed or in contravention of any applicable law or regulation;

15.2.3 not fix the Equipment to land or to any building in such a manner as to become a fixture;

15.2.4 not hold himself out as the owner of the Equipment nor sell, assign, transfer, dispose of, mortgage, charge or pledge the Equipment or suffer or permit the possession of the Equipment to be taken from the Customer; not assign this Agreement nor agree nor attempt to do any of the aforesaid nor permit to be done anything which might prejudice the rights of the Service Provider;

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15.3 The Customer hereby acknowledges that there are no circumstances arising out of or in connection with this Agreement whereby it obtains any contractual right to require that the title in the Equipment be transferred to it at any time. If the Customer wishes to take ownership of the Equipment upon expiry of the Initial Period, the Customer will be able to do so at no cost.

16. FORCE MAJEURE

If either Party is prevented or restricted directly or indirectly from carrying out all or any of its obligations under this Agreement from any cause beyond the reasonable control of that Party, including without limitations, acts of God, civil commotion, riots, insurrection, lock-outs, acts of government, fire, theft, explosion, the elements, epidemics, governmental embargoes or like causes, the Party so affected shall be relieved of its obligations hereunder during the period of such events and its consequences, but only to the extent so prevented and shall not be liable for any delay or failure in the performance of any obligations hereunder or loss or damage either general, special or consequential which the other Party may suffer due to or resulting from such delay or failure provided always that written notice shall within twenty four (24) hours of the occurrence constituting such an event (force majeure) be given of any such inability to perform by the affected Party and provided further that the obligation to give such notice shall be suspended to the extent necessitated by such force majeure.

The Parties hereby agree that should force majeure last more than fourteen (14) days, the Party who has not invoked force majeure to excuse any non-performance of its obligations may terminate this Agreement by giving ten (10) days written notice to the other.

17. PATENT AND COPYRIGHT INDEMNITY

17.1. The Service Provider agrees to resist or defend at its own expense any request for royalty payments or any claim for equitable relief or damages against the Customer based on an allegation that the manufacture of any Equipment or the use, lease, or sale thereof or that any documentation infringes any patent or copyright, and to pay any royalties and other costs related to the settlement of such request and to pay the costs and damages, including attorney's fees, finally awarded as the result of any suit based on such claim, provided that the Service Provider is given seven (7) days written notice of such request or claim by the Customer and given authority and such reasonable assistance and information as the Service Provider may request in writing and as is available to the Customer for resisting such request or for defending such claim.

17.2. In the event that the manufacture, use, lease, or sale of any item supplied by the Service Provider hereunder is interdicted:

17.2.1. prior to delivery; or

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17.2.2. after delivery;

The Service Provider will, at its option and expense, either:

a) negotiate a license or other agreement with the plaintiff so that such item is no longer infringing; or

b) modify such item suitably or substitute a suitable item therefore, which modified or substituted item is not subject to request or claim and extend the provisions of this clause thereto.

17.3. Notwithstanding the above, the Service Provider will not be liable for any damage or costs resulting from claims pursuant to:

17.3.1. The Service Provider's compliance with the Customer's design, specifications, or instructions;

17.3.2. the use of any item provided by the Service Provider in combination with product not supplied by the Service Provider; or

17.3.3. a manufacturing or other process carried out by or through the Customer and utilising any item provided by the Service Provider which constitutes either direct or contributory infringement of any patent (such as claims being collectively referred to herein as Other Claims).

17.4. The Customer will indemnify the Service Provider from any and all damages and costs (including settlement costs) finally awarded or agreed upon for infringement of any patent or copyright in any suit resulting from Other Claims, and from reasonable expenses incurred by the Service Provider in defence of such suit if the Customer does not undertake the defence thereof.

17.5. In no event will the Service Provider be liable for any damages hereunder or for consequential damages or costs. This indemnity is in lieu of any other indemnity or warranty, express or implied, with respect to patents and copyrights.

18. SEVERABILITY

If any of the provisions or any portion of the provisions of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability will not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement will be construed as if not containing the particular invalid or unenforceable provisions or portion thereof, and the rights or obligations of the Parties hereto will be construed and enforced accordingly.

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19. NO WAIVER

Failure by either Party to exercise any rights under this Agreement in any one or more instances will not constitute a waiver of such rights in any other instance. Waiver by such Party of any default under this Agreement will not be deemed a waiver of any other default. No alteration or modification of any provision of this Agreement will be deemed a waiver of any other default. No alteration or modification of any provision of this Agreement will be binding unless in writing and signed by duly authorised representatives of both Parties.

20. DOMICILIUM CITANDI ET EXECUTANDI

20.1. The Parties hereby accept their addresses as fully set out below, as their domicilium citandi et executandi for all matters in connection with this Agreement and for the service of any legal processes. Either of the Parties may change its address, provided that the Party doing so gives fourteen (14) days written notice to the other Party prior to such change.

20.2. The Service Provider:
BCX Building, 1021 Lenchen Avenue North, Centurion, 0157Attention: Legal Services
E-mail: legalservices@telkom.co.za
The Customer:
240 Madiba Street, Pretoria, 0001
For attention: Joe Phago
E-mail: Joe.Phago@treasury.gov.za

21. ENTIRE AGREEMENT

This Agreement and the Attachments hereto constitute the entire Agreement between the Parties and supersede any prior written or oral agreement or understanding with respect to the subject matter hereof. No interpretation, amendment, or change to this Agreement will be effective unless made in writing and signed by both Parties, except that each Party may change the address or the name of the person to whom notices to the Party will be sent by giving written notice of such change to the other Party.

22. DISPUTE RESOLUTION

22.1 Should any dispute arise between the Parties in connection with:

a) the formation or existence of; or

b) the implementation of; or

c) the interpretation or application of the provisions of; or

d) the Parties' respective rights and obligations in terms of arising out of; or

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e) the breach or termination of; or

f) the validity, enforceability, rectification, termination or cancellation, whether in whole or in part of; or

g) any documents furnished by the Parties pursuant to the provisions of this agreement, or which relate in any way to any matter affecting the interests of the Parties in terms of this agreement,

the Parties shall meet within fifteen (15) days of written notice of the dispute from one Party to the other (or such longer period as mutually agreed by the Parties in writing) to negotiate in good faith in an effort to settle such dispute.

22.2. Should the Parties fail to resolve any dispute between themselves within thirty (30) days of the meeting referred to in clause 22.1 (or such longer period as mutually agreed by the Parties in writing) the Parties shall within five (5) days refer the dispute to a joint committee of the Parties' respective chief executive officers or alternates appointed by them. The Parties record that it is the intention that the said chief executive officers will use their best endeavours to settle or resolve the dispute as expeditiously as possible but in any event within a period of fifteen (15) days of the matter being referred to them.

22.3. Should the joint committee referred to in clause 22.2 be unable to resolve the dispute in the applicable time period or such longer period as the Parties may agree upon, the Parties undertake to meet promptly and consider whether or not the dispute should be referred to arbitration. If the Parties agree in writing that the dispute should be referred to arbitration, such dispute will be determined by arbitration in accordance with the remaining provisions of this clause relating to arbitration; provided that if the Parties fail to reach agreement in writing to refer the dispute to arbitration within a period of two (2) days of meeting in terms of this clause 22.3, then either Party will be entitled to commence litigation proceedings against the other Party, in a court of competent jurisdiction.

22.4. Notwithstanding anything to the contrary contained in this clause 22, neither Party shall be precluded from obtaining interim, injunctive or similar relief from a court of competent jurisdiction.

22.5. The arbitration shall be held:

a) in accordance with the rules of the Arbitration Foundation of Southern Africa or its successor in title ("the Foundation");

b) in Pretoria, in the English language;

c) it being the intention of the Parties that the arbitration shall be held and completed within

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twenty-one (21) days of it being instituted.

22.6. The arbitrator shall be, if the matter in dispute is principally:

a) a legal matter, an impartial practicing advocate or impartial practicing attorney of at least eight (8) years' standing;

b) an accounting matter, an impartial practicing-chartered accountant of at least eight (8) years' standing;

c) a technical matter, an impartial telecommunications expert in the relevant telecommunications field at least eight (8) years standing;

d) any other matter, any independent person(s), agreed upon between the Parties to the dispute. Should the Parties to the dispute fail to agree whether the dispute is principally a legal, accounting, or other matter within seven (7) days after the Parties' agreement to refer the dispute to arbitration, the matter shall be deemed to be a legal matter.

22.7. Should the Parties fail to agree on an arbitrator within ten (10) days after the matter was referred in terms of clause 22.3. to arbitration, the arbitrator shall be appointed by the Foundation at the request of either Party to the dispute and the Foundation would be required to take into account the provisions of clause 22.6.

22.8. The decision of the arbitrator (including an award in respect of the costs of the arbitration) shall be final and binding on the Parties immediately unless either Party appeal the decision within a period of thirty (30) days from the date of the arbitrator's ruling and may be made an order of a court of competent jurisdiction at the instance of either of the Parties, subject to the Parties rights of appeal in terms of clause 22.9.

22.9. Either Party may review the decision of the arbitrator within a period of thirty (30) days after the ruling has been handed down by the arbitrator by giving notice to that effect to the other Party, such notice to be received before the expiry of the thirty (30) day period. The appeal shall be submitted to arbitration in Johannesburg in accordance with the rules of the Foundation by a panel of three (3) independent arbitrators appointed by the Foundation.

22.10. The decision of the panel of arbitrators on review and as provided for in clause 22.8 above, shall, in the absence of manifest error, be final and binding on the Parties to the arbitration and may be made an order of a court or competent jurisdiction at the instance of any Party to the arbitration. The panel of arbitrators shall make an award of the costs of the review.

22.11. The Parties hereby consent to the non-exclusive jurisdiction of the High Court of South Africa (Gauteng Division) for the purposes of this clause 22.

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22.12. 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 the purposes of an order to be made in terms of clauses 22.8 and 22.11.

22.13. The Parties undertake to resolve any dispute expeditiously, arbitration will be the preferred dispute resolution mechanism if the Parties resolve that the dispute is obviously capable of resolution by arbitration, other disputes may be referred to a court of law if this is the appropriate forum.

22.14. The provisions of this clause 22:

a) constitute an irrevocable consent by the Parties to any proceedings of this clause 22 and neither Party shall be entitled to withdraw therefrom or claim at any such proceedings that it is not bound by such provisions;

b) are severable from the rest of this agreement and shall remain in full force and effect despite the termination of or invalidity for any reason of this Agreement, or any part of this Agreement.

23. DISCONTINUING OF SERVICES AND END OF LIFE

23.1 The Service Provider may from time to time, and on notice where this is possible, or without notice where this is not possible, and without prejudice to any other claims or remedies, which the Service Provider may have in terms hereof or in law, discontinue or terminate or replace any part of the Service and where applicable the right to use the equipment, or in its discretion disconnect the Equipment from the network in any of the following circumstances:

23.1.1 where the Service or Equipment is found to contain a defect, which enables the Customer to exploit the Service to the detriment of the Service Provider;

23.1.2 where the Service or Equipment has reached the end of its lifespan and is uneconomical to maintain or continue;

23.1.3 in response to an instruction from the Regulator or other body in terms of applicable law, to discontinue the Service or equipment.

23.1.4 where the Customer uses equipment that is not approved by the Regulator for such use;

23.1.5 if the Customer has received the Service as a result of fraud or misrepresentation;

23.1.6 if the Customer uses in connection with the Service, equipment that belongs to the Service Provider but which the Customer has obtained illegally;

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23.1.7 if the Customer does or allows to be done any act or omission, which in the Service Provider's opinion will or may have the effect of negatively affecting the operation of the Service or the network;

23.1.8 if the Customer is using, or permitting the use of the Service or any element thereof for any illegal purpose or in contravention of any law; or

23.2 if the Service Provider has been instructed to do so by any authority competent to issue such instruction.

24. APPLICABLE LAW AND COMPLIANCE WITH POLICIES AND DIRECTIVES

24.1 The terms and conditions of this Agreement and Annexures attached hereto, shall be determined in accordance with the laws of the Republic of South Africa.

24.2 The Parties shall comply with all laws including (but not limited to) legislation, regulations, ordinances, rules of governmental and/or professional bodies and all other relevant enactments of any governmental authorities.

25. DATA PROTECTION (POPI)

25.1 In performing its obligations under this Agreement, the Parties shall:

25.1.1 comply with the provisions of the prevailing privacy and data protection legislation governing the collection, use and processing of Personal Information as defined in the relevant legislation;

25.1.2 not process Personal Information for any purpose other than to perform its obligations under this Agreement and ensure that such processing will not place either Party in breach of any applicable privacy and data protection laws or stated requirements;

25.1.3 only act on the instructions of the disclosing Party in collecting, processing and utilising the Personal Information (and for avoidance of doubt, this Agreement shall constitute such instructions);

25.1.4 not disclose or otherwise make available the Personal Information to any third party other than authorised staff or sub-contractors who require access to such Personal Information strictly in order for the processing Party to carry out its obligations pursuant to this Agreement, and ensure that such staff and any other persons that have access to the Personal Information are bound by appropriate and legally

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binding confidentiality and non-use obligations in relation to the Personal Information;

25.1.5 take appropriate, reasonable technical and organisational measures to ensure that the integrity and confidentiality of the Personal Information in its possession or under its control is secure and that such Personal Information is protected against accidental loss, destruction, damage, unlawful access or processing;

25.1.6 immediately notify the disclosing Party in case of possible infringements of the applicable data protection legislation, the terms of this clause or other irregularities by the processing Party, its staff or any other party acting on behalf of the processing Party in relation to the disclosing Party's Personal Information; and

25.1.7 at the disclosing Party's option, return or destroy the Personal Information once it is no longer required for the purposes of performing obligations under this Agreement or any directly related purpose.

25.2 The processing Party hereby indemnifies and holds harmless the disclosing Party, its affiliates and their respective staff, successors, cessionary and assigns, from any and all losses, costs, expenses and damage, including consequential losses and damage as well as penalties and fines arising from the processing Party's non-compliance with the provisions of this clause and any relevant data protection legislation.

25.3 The processing Party acknowledges that the disclosing Party may, on reasonable notice, investigate the steps it is taking to comply with any applicable privacy and data protection laws.

25.4 The processing Party agrees that breach of this clause shall be regarded as a material breach of the Agreement.

25.5 The obligations contained in this clause shall endure, even after the termination of this Agreement for whatever reason.

26. QUARTERLY REVIEWS

Service reviews will be conducted on a quarterly basis. Should there be any formal complaints or issues that need to be raised; the Parties agree to try resolving their differences amicably in good faith.

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27. PERFORMANCE PENALTY

Should the Service Provider fail to deliver the Services as outlined in annexure A in respect of a SOW, the National Treasury shall be entitled to raise an invoice to the Service Prover for 5% (five percent) of the total fees paid by the Service Provider for that respective month.

28. ASSIGNMENT SITES

The Sites for or at which the Services are to be rendered are:

- SITA John Vorster Drive, Centurion, Pretoria, 0002;
- 240 Madiba Street, Pretoria CBD, 0002;
- 40 Church Square, Pretoria CBD, 0002 (Head Office);
- 120 Plein Street, Cape Town CBD, 8001; and
- Natalia Building, 330 Langalibalele Street, Pietermaritzburg, 3201

29. COMMUNICATION

Contact Information as follows:-		
1.	Name of Service Provider	Business Connexion (Pty) Ltd
2.	Name of client	The National Treasury, Corporate Services, ICT business unit
3.	Registration number of the National Treasury	Government body enacted by legislation
4.	General correspondence in respect of the Service Provider:	**Physical address:** BCX Building, 1021 Lenchen Avenue North, Centurion, 0157
5.	Notice for delivery of legal documents in respect of the Service Provider:	**Physical address:** BCX Building, 1021 Lenchen Avenue North, Centurion, 0157
6.	Notice for delivery of legal documents in respect of the National Treasury:	**Physical address:** 240 Madiba Street, Pretoria, 0002 E-mail: joe.phago@treasury.gov.za Attention: Mr. Joe Phago

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7.	General correspondence in respect of the National Treasury:	**Postal address:** National Treasury, Private Bag X 115, Pretoria, 0001 Fax: 012 315 5695 Attention: Mr. Joe Phago
8.	Designated representative for the Service Provider:	Sina Mvoko
9.	National Treasury representative	Mr. Joe Phago

30. SERVICE IMPROVEMENT COMMITMENT

The Service Provider shall in response to performance issues identified in consultation with the National Treasury take steps to address issue of inadequate performance through intervention and or training should it be evident that the inadequate performance is a shortcoming in the skills.

31. SERVICE REPORTING

The Service Provider will provide a formal quarterly operational feedback report which must include all Services performed.

32. BUSINESS CONTINUITY

In the event of a disaster, the Service Provider shall, as part of the chargeable Services, work with the National Treasury to restore services at the current location or at an alternative location if so required.

33. NON- SOLICITATION

For the duration of this Agreement or the relevant Agreement and for 12 (twelve) months thereafter, neither Party shall knowingly, directly or indirectly, employ, solicit or offer employment to any employee of the other Party who is or was employed or involved in the provision of the Services, nor shall it solicit, entice, encourage or persuade any such employee to terminate his/her employment with the other Party.

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34. THIRD PARTY WORK

This Agreement in no way limits the Service Provider's right to conduct any business with and/or for any third parties and to enter into contracts of any nature with any third parties, provided, firstly, that the Service Provider's obligations in terms of this Agreement shall always be be timeously and satisfactorily fulfilled.

35. INTELLECTUAL PROPERTY RIGHTS

35.1 All right, title and interest in and to all Intellectual Property relating to any products owned by the Parties, their licensors, vendors and/or suppliers at the date of signature and the software used to implement such products and as may be developed, enhanced, modified or created during the term of this Agreement, shall at all times remain the sole property of such Parties, their vendors or suppliers.

35.2 Service Provider agrees to assign and does hereby assign to Customer all rights, titles and interests in and to the Contract IP. All Contract IP shall be the sole and exclusive property of Customer, and the Service Provider will not have any rights of any kind whatsoever in such Contract IP. "Contract IP" means all IPR developed specifically and exclusively for the Customer in connection with the supply or the delivery of the Services.

35.3 On termination of this Agreement, the Service Provider shall deliver to the National Treasury all property in the Service Provider's possession or under its control belonging to the National Treasury or created in pursuance of the Service Provider's duties in terms of this Agreement including, without limiting the generality thereof, documents, drawings, plans, reports, data sheets and disks.

35.4 Nothing contained in this Agreement shall restrict the Service Provider's use of ideas, residual knowledge, concepts, know how, methodology, processes or techniques created or developed in relation to the provision of the Services or its performance of its obligations under this Agreement or any Service Level Agreement

36. GOOD FAITH

Each Party shall be bound to show the utmost good faith to the other in regard to all matters arising from or in terms of this Agreement.

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37. CONFIDENTIALITY

37.1 The Parties shall not for the duration of this Agreement or thereafter, regardless of the reasons for termination, use for its benefit or the benefit of any other person or communicate or divulge to any unauthorised person any confidential matter or information relating to the business affairs, processes, marketing techniques, trade secrets or professional connections of the other Party or any of its clients. A Party may disclose the confidential information of the other Party to its employees, subcontractors, representatives or professional advisors and then only such persons to whom such disclosure is reasonably necessary, provided that such persons are bound by general confidentiality undertakings no less stringent than that contained in this clause 37.

37.2 This obligation shall not apply to any confidential information to the extent that such information:

37.2.1 is known to, or in the possession of a Party prior to the disclosure thereof by the other Party, without any obligation of confidentiality;

37.2.2 is, or becomes, publicly known otherwise than pursuant to breach of this Agreement by a Party;

37.2.3. is received from a third party in circumstances that do not result in a breach of the provisions of this Agreement.

37.3 A Party may

37.3.1 disclose confidential information to satisfy the order of a court of competent jurisdiction or to comply with the provisions of any law or regulation in force from time to time; and

37.3.2 disclose confidential information to a third party pursuant to the prior written authorization of the relevant Party, but subject to such third party maintaining the confidentiality thereof.

38. NON-PARTNERSHIP

Nothing in this Agreement shall be deemed to constitute either of the National Treasury or the Service Provider the partner of the other or constitute either of those Parties the agent or legal representative of the other. It is not the intention of the Parties to create, nor shall this Agreement be construed to create any commercial or other partnership. Neither the National Treasury nor the Service Provider shall have any authority to act or to assume any obligation or responsibility on behalf of the other of them.

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39. NO CESSION OR ASSIGNMENT

The Service Provider shall not cede or assign any of its rights and obligations in terms of this Agreement to any third party without prior written consent of the Customer.

40. WARRANTIES

The Service Provider warrants to the Customer that-

40.1. It has the ability, skill and experience to render the Services and perform all related functions expected of it in terms of this Agreement;

40.2 Each of the Service Provider's Resources allocated to the provision of the Services has the required level of skill, knowledge, experience and ability as set out in the terms of reference and which may be expected of an individual experienced in the role of the type and complexity which has been given to that Resource in relation to the Services to be performed by such Resource; and

40.3 To the extent permitted by law, the Service Provider excludes any other warranty, including any express warranty, not recorded in this Agreement or any Agreement, and specifically excludes any warranty that the Services will operate uninterrupted.

41. COUNTERPART

This agreement may be executed in more than one counterpart, each of which shall be deemed to constitute an original of this agreement and which taken together shall constitute one and the same agreement.

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SIGNED by the Parties and witnessed on the following dates and at the following places respectively:

Date	Place	Witness	Signature
08/08/23		Signed by:Setotolwane Johannes Phago Signed at:2023-08-08 15:21:59 +02:00 Reason:Witnessing Setotolwane Johanne 1.	For: **THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY**
2 October 2023	Pretoria	2.	
			Stadi Mngomezulu

THE SERVICE PROVIDER	
SIGNATURE	**CO-SIGNATURE**
Digitally Signed by: **Omar Dawjee** *Executive: Sales Account Management* cbd9e5ed-96a0-4be3-8178-d5a1ba7d980d IP Address: 172.17.244.41 Date: 2023/08/03 13:15:05	Digitally Signed by: **Tokelo Molepo** *Specialist: Sales Account Management* a4af851e-fe17-4182-978e-6e4c0c02558c IP Address: 172.17.244.41 Date: 2023/08/01 11:41:40

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ANNEXURE A: SERVICE DESCRIPTION

1. SERVICE DESCRIPTION:

1.1. HCS is a cloud based, integrated voice and collaboration solution which provides on demand voice & communication services. These services include voice (telephony), unifiec messaging, presence, point to point video, voice & web conferencing, TMS and mobility.

1.2. All call control infrastructure, such as the Cisco Unified Communications Manager, Cisco Unified Presence, Cisco Unity Connection, Cisco Unified Mobility, Cisco Expressways, Cisco Unified Enterprise Attendant Console, SBC's, SIP trunking (voice access) as well as the management suite are deployed in the BCX data centre. No call control infrastructure or gateways are required at customers' premises. The only devices to be implemented at customer's premises are telephones and soft clients. The platform is a multi-instance platform. Each customer is deployed as a separate instance, ensuring data segregation. The HCS platform is duplicated between the Centurion and Bellville data centres. Customer has the option of subscribing to geo redundancy at an additional cost. Customers require VPN services to access the HCS services. BCX will offer the service to a customer with 3rd Party WAN connectivity but will not guarantee the voice across the Network. To unable the service over a 3rd Party WAN, a single site VPNS that connects to the Data centre via Shared Access will be needed.

2. CUSTOMER SPECIFIC REQUIREMENTS

2.1 BCX understands that the National Treasury requires their current Hosted Collaboration Solution (HCS) to provide much more than just advanced calling features, but to enable the National Treasury to extend a full set of Unified Communication features like remote access for all the National Treasury's employees requiring access from home or working off-site. These features must allow all the Customer's employees to collaborate seamlessly using one system across multiple different devices as needed. The current National Treasury Hosted Collaboration Solution will remain as it is, however, the National Treasury license agreement will be upgraded to an advance Cisco Flex 3.0 Named User License which will provide all the National Treasury users with enhanced License based features allowing them to make phone calls from wherever they are, across multiple different devices and enjoy Cisco collaboration features in a highly secured environment.

2.2. National Treasury Managements and other specified advanced users may also make use of Microsoft Teams calling features via their own existing E5 enterprise license agreement with

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Microsoft. BCX will enable basic integrated with the extant HCS solution to ensure users of both systems are able to collaborate affectively across the two platforms which each other.

2.3 Below is a description of the proposed Name User Licensing plan offered to National Treasury users.

3. PROPOSED HCS NAMES USER LICENSING FLEX PLAN

3.1 Cisco Flex Plan with HCS does not require the National Treasury to sacrifice service feature any longer but rather enables much easier use of a multitude of collaboration features via several devices, if required. These collaboration features are what the National Treasury has been requesting to keep business service running optimally and extending to increase remote working as well.

3.2 National Treasury's users will have access to the following applications:

- The Cisco Webex app allows your users to have the ability to make and receive calls through their desktop or mobile devices.
- Cisco Unified Communications Manager is responsible for call processing and phone registration, so you can make audio or video calls from any location.
- Cisco Webex Meetings is a video conferencing platform that enables your company to share audio, video, and content.
- Cisco Webex Teams gives you the ability to connect securely and efficiently with team members.

3.3 These are a few of the applications the National Treasury's users may enjoy with the new Cisco Flex Plan license.

3.4 All these options make Cisco Flex Plan a versatile option for businesses like the National Treasury whose needs may vary within the same service organisation. This BCX collaboration solution is Powered by Cisco UCS platform and BCX has the skills to ensure the platform will continue to serve the National Treasury needs now and into the foreseeable future.

4. INVESTMENT PROTECTION

4.1 IT is an accumulative investment in your company over time. Specifically, the physical components which are needed to support applications, these components remain costly. With recent chipset shortages globally the costs of IT infrastructure have become rather

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unpredictable. Many South African businesses find the initial investment costs prevents them from taking advantage of new technologies, especially with very large capital and upfront expenditures which are generally required.

4.2 The Cisco Flex Plan gives the National Treasury the ability to upgrade the entire user base's experience of the Cisco HCS service without any capital expenditures.

4.3 With Cisco Flex Plan licenses upgrade and the BCX HCS infrastructure, the National Treasury's user will be migrated without any down time to the critical business service and immediately start collaborating at higher level than previous possible.

4.4 Engineers will retrain the National Treasury's staff to ensure that users understand how to easily access and use all the new collaboration features once deployed. Where certain users are required to utilise both HCS and Microsoft Teams, these users will be shown how to user this system interchangeably to collaborate with any of the National Treasury's users in the HCS platform.

4.5 This models also permits the National Treasury to classify both the licensing and software support portions of the IT budget as operational expenses instead of capital expenses. Additionally, with Cisco Flex Plan, you'll only pay for the subscriptions you need and have the flexibility to add subscriptions and services as needed should the need arise.

5. SOLUTION OVERVIEW

5.1 Cisco Hosted Collaboration Solution (HCS)

The current Hosted Collaboration Solution (HCS) allows subscription-based, "as-a-service" powered by the Cisco Collaboration applications. The solution consists of feature-rich packages that include voice, video communications (internal point-to-point), voicemail, instant messaging, extension mobility.

5.2 The HCS solution is deployed in the Centurion and Bellville BCX Data Centres.. The Customer will be connected to the Centurion Data Centre, which has high availability inherent in the platform.

5.3 Central call breakout is provided via the Centurion and Bellville BCX Data centres via the HCS solution's SIP Trunks to cater for call concurrency and can be upgraded on growth.

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5.4 Licenses

National Treasury will hereby be upgraded to Named User buying model with Cisco Flex Calling - Named User License for 1743 users (also called Knowledge workers). The buying model advantage is that it will also enable the National Treasury to access add-on licenses when needed without incurring additional license costs for Common Area phone/devices or Enhanced user requirement (up to a maximum of 872 and 349 respectively). All users issued with a Named User License users will receive a voicemail profile. The Named User subscription is the full-featured tier for knowledge worker employees and contractors who use multiple communication devices as part of their job duties. This tier includes voicemail and also provides for roaming functionality, i.e., phoning from anywhere as long as they have internet connectivity and additional devices setup for it.

The below features that are included in the Named User License:

- Advanced Call Control Features
- Mobile Remote Access
- Multiple Devices Per User (up to 10)
- Voicemail
- Jabber/Webex App Calling and Messaging Soft Client
- Service Level Agreement
- HCS Service Integration Manager

Cisco Webex/Jabber app is an easy-to-use cloud-based collaboration client that keeps people and teamwork connected anytime, anywhere. Webex app provides the following functionality:

- Audio/Video calling.
- Instant Messaging and Presence (IM&P).
- Create secure virtual workspaces.
- Chat
- Limited file-sharing capabilities,
- 3 Way conference calling
- Webex works on Windows, Mac, Android, and iOS.

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License Type	Volume
Flex 3.0 Named User License includes TMS (Professional)	1743
Flex 3.0 Common Area License includes TMS (Enhanced)	58

Table 1 – License

5.5 Devices

The existing 1746 IP Phones and 58 Port Analog Telephone Adapter will continue to be procured from BCX as per below table.

Device Type	Volume
Cisco IP Phone 7811	1656
Cisco IP Phone 7821	70
Cisco IP Phone 8831	16
Key Module	4
ATA	58

Table 2 – Devices Charges

- Additional devices may be procured at the once-off cost during the duration of the contract.
- The balance owing for the devices have been recalculated over this new 60 month term with no other residual values remaining hereafter.
- Upon expiration of this Agreement, all devices shall become the property of the Customer

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ANNEXURE B: PRICING

1. SOLUTION PRICING

License Type/Device	Volume	Price Per User/device (Excl. VAT)	Total (Excl.VAT)
Flex Named User	1743	R122,98	R214 357,47
Flex Common Area	58	R96,48	R5 596,04
Services	1801	R11,00	R19 811,00
MRA	1743	R3,50	R6 100,50
TMS	1801	R9,00	R16 209,00
Adv. Att. Con.	2	R1 266,96	R2 533,92
Att. Con. HA	1	R491,27	R491,27
7811	1656	R7,27	R12 039,12
7821	70	R13,87	R970,90
8831	16	R96,66	R1 546,56
Key Module	4	R33,95	R135,80
ATA	58	R21,00	R1 218,00
Smartfax	9	R139,00	R1 251,00
TOTAL Excl. VAT			R282 260,58
VAT			R42 339,09
TOTAL Incl. VAT			**R324 599,67**

2. CONTRACT VALUE PRICING PER YEAR

	Ex. VAT	Incl. VAT	Total Per Year
Year 1	R 282 260,58	R324 599,67	R3 895 196,04
Year 2	R 294 962,30	R339 206,65	R4 070 479,80
Year 3	R 308 235,61	R354 470,95	R4 253 651,40
Year 4	R 322 106,21	R370 422,14	R4 445 065,68
Year 5	R 336 600,99	R387 091,14	R4 645 093,68
			R21 309 486,60

these changes are due to ROE and REPO rate increases.

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ANNEXURE C: SERVICE LEVELS

1. INTRODUCTION

This Annexure C sets out what constitutes acceptable service in quantifiable and measurable terms. The intent is to ensure the proper understanding and commitments are in place for effective support and measurement in the provision for support for the HCS solution

2. PURPOSE

This Annexure with the attached appendices forms the Service Levels between the Customer and the Service Provider. The purpose of this document is to define and measure the Services supplied by the Service Provider to the Customer for the duration of the contract. This defines the following:

- The roles and responsibilities of the parties in providing and managing the required services;
- The measurement definitions used to determine the level of service that is provided, and
- The cross functional services roles and responsibilities of the Service Provider and Customer.

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3. DEFINITIONS

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Term	Acronym	Meaning of Acronym or Description of Term
Account Manager	AM	
Actual Uptime	-	Actual Uptime means, with respect to any Service Level measured in terms of Availability, and during any particular month, the aggregate amount of time within the Scheduled Uptime for such Service Level that the particular service being measured by such Service Level is actually available for normal business use by the end users that use the service within the applicable Service Cover Period.
Clock Stop Time	CST	All time periods including allowances and exclusions that result in the suspension of the Contractual Incident Clock.
Contractual Incident	CI	All incidents related to the Services in scope which are within the Service Provider's contractual obligations.
Contractual Incident Clock	CIC	A timer that accumulates the time taken by the Service Provider, which excludes Clock Stop Time, to resolve a Contractual Incident.
Incident	-	A failure of a Service that is correctly logged by the Service Provider, or logged by the Customer, on the Service Provider's incident management system.
Major Incident		Any service unavailability, as described in the Incident Severity table, will be logged at the Contact Centre as a Priority 1 incident, and will be regarded as a major incident.
Managed Services	-	Managed Services entails active management, monitoring and maintenance of the hardware components used for the provision of Hosted Collaboration Solution (HCS) services and which is situated at the Service Provider's Data Centre.
Scheduled Uptime	-	Scheduled Uptime means, with respect to any Service Level measured in terms of Availability, and during any particular month, the time that the particular service being measured by such Service Level is scheduled to be available for normal business use by the End Users within the applicable Service Cover Period.
Service	-	A Service covered by this Agreement as defined in Table 1 and Table 2.

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Service Cover Period	SCP	The period that this Agreement will cover the Service.
Service Levels	SL	This schedule or document.

4. TYPE OF SERVICES

The Hosted Collaboration Services (HCS) service level covers services where the Service Provider manage the Hosted Collaboration Service and equipment as part of the managed solution and entails active management and monitoring of both environment as well as maintenance of the hardware, situated at the Service Provider's Data Centre or as agreed and set out in the solution description. The emphasis is on active management where the Service Provider retains responsibility for the real time surveillance of the hosting environment and HCS during the Customer selected Service Cover Period.

The Service Provider offers the Customer Availability and Incident Management service levels on the following services.

Table 1

Services
Data Centre hardware components and hardware for HCS platform

Table 2

Services
1. Cisco UC&C applications: 2. Cisco Unified Communications Manager – IPT; 3. Cisco Unity Connection – Voicemail; 4. Cisco Unified Presence with Cisco Jabber™ messaging - UC; 5. Cisco Mobility clients – Mobility; 6. Cisco Unified Enterprise Attendant Console – Switchboard Consoles. 7. Optimised virtualisation platform; 8. Service provider integrated system architecture; and 9. Comprehensive management platform.

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5. SERVICE SPECIFIC EXCLUSIONS

Scheduled Down Time:

1. The Service Provider's Standard Maintenance Window is defined as the period between 00h00 and 06h00 on Sunday mornings.
2. Maintenance down time that falls outside the Standard Maintenance Window will be arranged with the Customer at least 48 hours before the down time will commence.
3. The Service Provider will notify the Customer of such interruptions 48 hours in advance.
4. Maintenance Down Time will not be considered as a Contractual Incident and thus not contribute to down time.

Flyleads:

The Service Provider shall not be held liable for an Incident where ascribable to the fly leads connecting the services provided by the Service Provider to the LAN. Such Incidents shall be exempted from the provisions of the Agreement and will not be considered as a Contractual Incident.

Dark Periods:

5. The dark period is a timeslot that is set aside for high impact environmental changes. Changes implemented during these times includes major network changes or environmental changes such as electrical and air-conditioning maintenance in the Data Centre and have priority over other changes of lesser impact because of the logistics of scheduling such time.
6. The Service Provider will provide the customer with a Hosting Environment dark periods schedule. Refer to Appendix C.

Finalisation of Contractual Incidents:

7. The Service Provider shall ensure that all Incidents are finalized with the Customer, and obtain a Customer reference number in accordance with the Cross functional Services detailed in Appendix D.
8. Customer to have properly authorized personnel available who can accept the restored service and issue a Customer reference number

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9. It is agreed that all Contractual Incidents, including those with deferred time, will be finalised at the time the service is handed back to the Customer. This includes reaching agreement as to which Service Element suffered the break in service, the value of the Time to Repair and the cause of the Incident.

6. AVAILABILITY SERVICE LEVEL METRICS

The Service Provider undertakes to provide the services detailed in Table 1 and Table 2 respectively, to the Customer so as to meet the average Availability targets listed in Table 3 below, taking into consideration the applicable Service Cover Period.

Table 3

Description	Average Monthly Availability
Data Centre components – HCS platform as listed in Table 1	99.95%
HCS listed in Table 2	99.5%

6.1 Average Availability Calculation

Actual Uptime means, with respect to any Service Level measured in terms of Availability, and during any particular month, the aggregate amount of time within the Scheduled Uptime for such Service Level that the particular service category being measured by such Service Level is actually available for normal business use by the end users that use the service within the applicable Service Cover Period.

Scheduled Uptime means, with respect to any Service Level measured in terms of Availability, and during any particular month, the time that the particular service category being measured by such Service Level is scheduled to be available for normal business use by the end users within the applicable Service Cover Period.

Average Availability is stated as a percentage and is calculated as follows:

Average Availability % = (Y / X) * 100, where:

- X = the sum of the Scheduled Uptimes for the applicable services defined in Table 1 and Table 2 respectively; and
- Y = the sum of the Actual Uptimes for the applicable services defined in Table 1 and Table 2 respectively.

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6.2 Incident Management - Time to Repair Service Target

The Time to Repair service level measurement shall be applicable to Severity 2 to 5 Incidents. The Time to Repair service level measures the time taken for the service to be restored from the time that an Incident is either logged by the Service Provider, or logged by the Customer, on the Service Provider's Incident management system, taking into consideration the applicable Service Cover Period. The Time to Repair Service Targets are listed in the Table 4 below.

Table 4

Service Level Element	Service Level Target
Severity 1 Incidents	Average Time to Repair of 4 Hours
Severity 2 Incidents	Average Time to Repair of 8 Hours
Severity 3 Incidents	Average Time to Repair of 24 Hours
Severity 4 Incidents	Average Time to Repair of less than 7 days

- The above target times will exclude travel times where applicable.
- The Time to Repair measure will exclude all Incidents related to Severity 1 Incidents as such Incidents shall be measured as part of the Availability measure.

6.3 Calculation of Time to Repair performance

The Time to Repair Service Level shall be measured on a per Severity basis. The Time to Repair Service Level target is calculated as follows:

Time to Repair = (Y / X) *100, where:

- X = is the total combined downtime of all Incidents relating to Services in Table A1 and Table A2 respectively, measured on a per Severity basis, reported at the Service Provider Contact Centre and logged on the Service Provider's Incident management system during the month, and
- Y = is the number of Incidents applicable to such measured Severity relating to services in Table A1 and Table A2 respectively, reported at the Service Provider Contact Centre and logged on the Service Provider's Incident management system during the month.

6.4 The allowance for planned downtime maintenance is set at one (1) per month for no longer than thirty (30) minutes and must be used for all maintenance activities. The planned interruption must be brought to the attention of the Director: Service Delivery & Support who will advise on the process and dates thereof accordingly. The number of planned interruptions should not exceed one (1) per month.

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6.4.1 The measurement for scheduled downtime for the Services is the time elapsed from when any service or part there off is not available due to planned maintenance and when the ICT service becomes available.

6.4.2 Procedure for announcing interruptions to the Services:
The Service Provider will engage with the National Treasury prior to any outages scheduled.

6.4.3 In the event of Major Incidents and Emergency Changes and Releases an emergency change will need to be done to restore the equipment to a fully operational state.

6.4.4 The application is considered unavailable if there is no connection from the user to the transversal system and that said connection is not a result of a communication failure.

7. SERVICE COVER PERIOD

The Service Cover Period (SCP) is the period during which the HCS will be actively managed and covered by the Agreement. The following service cover periods are available:

Table 5

Service	Option	Service Cover period
On-site support (where part of the solution)	Standard	08h00 - 17h00 Monday to Friday, excluding weekends and public holidays.
Contact Centre, Data Centre components for HCS	Premium	24 hours a day seven days a week

8. REPORTS

The Service Provider offers the following reports for the Services:

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Table 6

Type of Report	Report Contents	Frequency
Incident Management Report	• List of all Incidents that were logged on the fault logging system • The time and date when the Incident was logged • The time and date when the Incident was cleared • Incident reference number/s • Customer reference responsible for clearing the Incident • Downtime per Incident • Agreed Clock Stop Time per Incident	• Report will be made available to the Customer monthly
Agreement Performance Report	• Performance in terms of Availability and Incident Management Time to Restore targets	• Report will be made available to the Customer monthly

9. SEVERITY DEFINITIONS

Table 7

Severity Level	General description	Criteria / Examples
Severity 1 (High)	Service not available– Customer Business System failure impacting Business Functions	Service not available – This severity indicates a major incident with serious impact on the Customer's business affecting all users. This is used to highlight incidents requiring immediate attention as in an emergency. All incidents registered at this level must take precedence over all others. It is used sparingly and could match one of the following criteria:
		• A Business System Service is not available • Unavailability of Critical Applications
		• Non availability of a Service
		• A major power failure or network failure affecting availability of the Service to the end-use

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Severity Level	General description	Criteria / Examples
Severity 2 (Medium high)	Critical Business Impact - Business Systems Failure - Business Services Unavailable - Multiple Location or Sites cannot access common Services	This is used to identify to the recipient of the Incident that the call is impacting on the business in a significant way. If an incident is logged at this level the recipient should attend to the Incident as soon as possible. This indicator is used in the following cases:
		• An important component of a Business System has failed • An entire branch/site cannot work with a customer support type application
		• A Network or other failure was detected affecting a customer facing business entity
		• Failure of non-critical business application
		• Failure or slow processing of a real-time interface
		• Slow response experience by users
Severity 3 (Medium)	Customer Business system failure impacting only certain business functions, areas or locations	This indicates that the incident is affecting a single site or has a medium impact to the business. The indicator is used in the following cases:
		• Incidents affecting 1 to 5 end users
		• All users on a single floor cannot work
		• An entire building or site cannot access a non-customer support application
		• A server is unavailable • Unavailability of Generic Applications • Unavailability of Desktop equipment • Unavailability of Peripherals
		• Auto-logged Incidents; Component failure detected via monitoring – Following analysis, the Severity will be adjusted, depending on business impact
Severity 4 (Medium low)	Minor Business Impact - individual incidents, where service to individual users are affected	This severity is used to identify any incident, which has minor business impact. This indicator is used in the following cases:
		• Non-business impacting incidents for single end user

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O.D. T.M.

Severity Level	General description	Criteria / Examples
		• Changes to documents, processes etc.
		• IMACD's where agreed between the Parties • Auto-logged Incidents - Critical warning detected via monitoring

10. CHANGE MANAGEMENT

All service affecting changes to the infrastructure (including all telephony equipment) must be channelled through the official change management process to the National Treasury's Information and Communication Technology's business unit.

11. SERVICE IMPROVEMENT COMMITMENT

The Service Provider in conjunction with the National Treasury will formulate a plan to continuously monitor the Services provided and put plans in place to improve upon the Services provided.

12. BUSINESS CONTINUITY

In the event of a disaster, the Service Provider must work with the National Treasury to restore Services at the current location or at an alternative location if so required. Notwithstanding the aforementioned, the Service Provider shall not accept any liability for disaster recovery.

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APPENDIX A
CUSTOMER ESCALATION PROCEDURE

Please note that the Service Management escalation procedure provided in this Appendix A is limited to the Services described and included in this Agreement. The Service Provider Service Manager will not attend to any Customer queries which fall outside of the scope of this Agreement.

For service requirements which fall outside of the scope of this Agreement the Customer should contact the Service Provider Sales Representative and follow the Service Provider Sales Management escalation process.

Service Desk Number: Dedicated toll-free number to be defined

HCS: Support:

Escalation 1	Escalation 2	Escalation 3
General HCS service request	Pieter Serfontein	Hoosein Sujee
0861239663	0112660652	0128488075
HCS.Servicedesk@bcx.co.za	Pieter.Serfontein@bcx.co.za	Hoosein.Sujee@bcx.co.za

The Service Provider: Service Management:

Escalation 1	Escalation 2	Escalation 3	Escalation 4
Service Manager	**Manager**	**Senior Manager**	**Executive**
Abednego Khoza	Tiro Mphaka	Kennedy Baloyi	Aubrey Croucamp
0659991629	0813914637	0813547490	0814142682
Abednego.Khoza@bcx.co.za	Tiro.Mphaka@bcx.co.za	Kennedy.Baloyi@bcx.co.za	Aubrey.Croucamp@bcx.co.za

The Service Provider: Sales Management:

Escalation 1	Escalation 2	Escalation 4
Account Manager	**Senior Manager**	**Executive**
Tokelo Molepo	Omar Dawjee	Sina Mvoko

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0659992247	0659991547	0659990935
Tokelo.Molepo@bcx.co.za	Omar.Dawjee@bcx.co.za	Sina.Mvoko@bcx.co.za

Customer Contact Details:

Customer Service Desk	Escalation 1	Escalation 2
General ICT Service desk	**Joyce Mchunu**	**Joe Phago**
012 315 5100	0123155209	0123155769
helpdesk@treasury.gov.za	Joyce.Mchunu@treasury.gov.za	Joe.Phago@treasury.gov.za

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APPENDIX B
CONSOLIDATED SITE SCHEDULE

Site Name (Customer site name or code)	Site list	Service Element (Equipment - Serial number)	Service Cover Period (Standard, Premiuxm)
SITA John Vorster Drive, Centurion, Pretoria, 0002;	-	-	Standard 8 x 5-
240 Madiba Street, Pretoria CBD, 0002	-	-	Standard 8 x 5-
40 Church Square, Pretoria CBD, 0002 (Head Office)	-	-	Standard 8 x 5-
120 Plein Street, Cape Town CBD, 8001	-	-	Standard 8 x 5-
Natalia Building, 330 Langalibalele Street, Pietermaritzburg, 3201			Standard 8 x 5-

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APPENDIX C

HOSTING ENVIRONMENT DARK PERIOD SCHEDULE

CUSTOMER NOTE:

Major release and change implementation for all power, network and air-condition will be implemented during the agreed Dark Periods documented in this Agreement and updated annually.

The official dark periods for all hosting environmental changes are:

Dark Periods For 2023/2024	
The Nexus, HUB, CORE & Durban	
Date	Times
07/08 January 2023	22:00 – 06:00
11/12 February 2023	22:00 – 06:00
11/12 March 2023	22:00 – 06:00
08/09 April 2023	22:00 – 06:00
06/07 May 2023	22:00 – 06:00
10/11 June 2023	22:00 – 06:00
08/09 July 2023	22:00 – 06:00
12/13 August 2023	22:00 – 06:00
09/10 September 2023	22:00 – 06:00
07/08 October 2023	22:00 – 06:00
11/12 November 2023	22:00 – 06:00
09/10 December 2023	22:00 - 02:00
06/07 January 2024	22:00 – 06:00
10/11 February 2024	22:00 – 06:00
09/10 March 2024	22:00 – 06:00

Dark Periods For 2023/2024	
Bellville 1&2 and Hartbeeshoek	
Date	Times
14/15 January 2023	22:00 – 06:00
18/19 February 2023	22:00 – 06:00
18/19 March 2023	22:00 – 06:00
15/16 April 2023	22:00 – 06:00
13/14 May 2023	22:00 – 06:00
17/18 June 2023	22:00 – 06:00
15/16 July 2023	22:00 – 06:00
19/20 August 2023	22:00 – 06:00
16/17 September 2023	22:00 – 06:00
14/15 October 2023	22:00 – 06:00
18/19 November 2023	22:00 – 06:00
16/17 December 2023	22:00 - 02:00
13/14 January 2024	22:00 – 06:00
17/18 February 2024	22:00 – 06:00
16/17 March 2024	22:00 – 06:00

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O.D. T.M.

Annexure C

ADDENDUM NO 1 TO SERVICE LEVEL AGREEMENT / SERVICE SCHEDULE (TELEPHONY SERVICES)

BETWEEN

TELKOM SA SOC LIMITED

AND

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY

Original document 1 of 2
Telkom Copy

TELKOM SA SOC LIMITED

AND

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY

SEGMENT: BCX CRO **VERTICAL:** PS National

AGREEMENT: Addendum 1 to Service Level Agreement (Telephony Services) / Service Schedule (VPNS)

In accordance with the VAS Contract Process the undersigned and duly authorised have scrutinised the Agreement and the annexures and is in agreement with the contents thereof. You may proceed to sign the document:

OP1271100

SLA Management	*Erika van der Merwe*	*Email*

Solution Sign off	*Lerato Tseleng*	*Email*

Legal Services	*Andile Zililo*	*Email*

Pricing Sign off	*Pam Naidoo* *Cornel Korff*	*Email* *Email*

ADDENDUM NO 01 TO SERVICE LEVEL AGREEMENT/ SERVICE SCHEDULE

(TELEPHONY SERVICES)

Entered into by and between

TELKOM SA SOC LIMITED

Company Registration Number	1991/005476/30
VAT Number:	4680101146
Physical Address	The Hub Telkom Park, 61 Oak Avenue, Techno Park, Highveld, Centurion

(Hereinafter referred to as "**the Service Provider**")

And

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY

Physical Address	The National Treasury 240 Madiba Street Pretoria 0002
Postal Address	Private Bag X115 Pretoria 0001
Telephone Number & Telefax No.	Tel: (012) 315 5769 Fax: (012) 3155695
Contact Person	Stadi Mngomezulu
Email Address	stadi.mngomezulu@treasury.gov.za

(Hereinafter referred to as "**the National Treasury**")

(Hereinafter jointly referred to as "**the Parties**")

TABLE OF CONTENTS

WHEREBY IT IS AGREED AS FOLLOWS:

1. PREAMBLE

1.1 **WHEREAS,** the Parties concluded a Master Services Agreement signed on 7 November 2014 (**"the MSA"**) and the Service Level Agreement for Telephony Services (**"the Agreement"**) signed on 7 November 2017 for the implementation of the Telephony Services;

1.2 **AND WHEREAS,** the Parties wish to migrate the current ISDN lines to the VPN Supreme Services;

1.3 **AND WHEREAS,** the Parties have agreed to extend the duration of Agreement for a period of **5 (five) years** from Commissioning of the Services;

1.4 **AND WHEREAS** the Parties wish to amend the Agreement, in writing, in terms of clause 18 of the Agreement to reflect the above mentioned amendments.

NOW THEREFORE the Parties agree as follows:

2. INTERPRETATION AND PRELIMINARY

2.1 This addendum to the Agreement shall be interpreted in accordance with the relevant provisions of the MSA and the Agreement. Words and phrases defined in the MSA and used in this addendum shall, unless the context clearly indicates otherwise, bear the meanings ascribed thereto in the MSA and Agreement, and shall continue to be of full force for its period.

2.2 Except for the amendments in this addendum, all other terms and conditions as stated under the MSA and the Agreement will remain in full force and effect and will only be amended to the extent reflected in this addendum.

3. RECORDAL

This addendum records the terms of the agreement to amend sub-clause 2.1.10, clause 4 and annexure A of the Agreement.

4. AMENDMENT TO THE AGREEMENT

4.1 Sub- clause 2.1.10 of the Agreement is hereby deleted in its entirety and amended as follows:

"2.1.10 **"Termination Date"** means the expiry of 5 (five) years which is calculated from Commissioning of VPN Services, unless terminated earlier in terms of this SLA."

4.2 Clause 4 of the Agreement is hereby amended by the deletion of the date "31 April 2019" and replacing it with the words **"Termination Date"**.

4.3 Item number 2 of **Annexure A** titled "Telephony Services" is amended by the deletion of the words "ISDN lines" and is replaced with words "VPN lines".

4.4 A new Service Schedule 1 with its annexures 1A, to 1E, are hereby inserted.

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4.5 The Parties hereby supplement the Agreement with a VPN Supreme Services as set out in the attached VPN Service Schedule. The Services, Service Levels and pricing payable for VPN Supreme Services shall be regulated and payable in terms of the provisions set out in the VPN Service Schedule.

SIGNATURE PAGE: FOR THE SERVICE LEVEL AGREEMENT FOR TELEPHONY SERVICES ADDENDUM 01 (ADD VPN SUPREME)

IN WITNESS WHEREOF, the Parties have caused this addendum to be executed by and through their duly authorised representatives.

TELKOM SA SOC LTD SIGNED at Pretoria on this 09 day of November 2018	**TELKOM SA SOC LTDCO-SIGNED** at Pretoria on this 09 day of November 2018
OMAR DAWSEE PRINT NAME	Zwelakhe Mkhatshwa PRINT NAME
ACTING HEAD - NATIONAL PUBLIC SALES DESIGNATION	Account Manager DESIGNATION
SIGNATURE	SIGNATURE
In the presence of the undersigned witness	In the presence of the undersigned witness
Bongani Molepe WITNESS: PRINT NAME	Simon Ditshego WITNESS: PRINT NAME
WITNESS: SIGNATURE	WITNESS: SIGNATURE

GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY
SIGNED at Pretoria on this 23 day of November 2018
In the presence of the undersigned witness:

STAN MNGOMEZULU PRINT NAME	SETOTOLWANE J. Phago WITNESS: PRINT NAME
DEPUTY DIRECTOR-GENERAL DESIGNATION	WITNESS: SIGNATURE
SIGNATURE	

By signing this signature page the Parties agree to be bound by this Signature Page, preceding terms and conditions and attached annexures which are incorporated in this Agreement by reference.

SERVICE SCHEDULE 1 TO TELEPHONY SERVICES

VPN SUPREME

SERVICE SCHEDULE TO SERVICE LEVEL AGREEMENT FOR TELEPHONY SERVICES
SERVICE SCHEDULE 1 – VPN SUPREME
TELKOM SA SOC LIMITED ("the Service Provider") THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY ('the National Treasury")
Page 1 of 9

SERVICE SCHEDULE 1 FOR A VPN SUPREME SOLUTION

1. PREAMBLE

1.1 **WHEREAS** the Service Provider has proposed a solution as set out in this Service Schedule and the National Treasury wishes to utilise the Service Provider's Services;

1.2 **AND WHEREAS** the Parties agree that this Service Schedule shall form part of the Service Level Agreement for Telephony Services (**"the Agreement"**).

THEREFORE, the Parties agree as follows:

This Service Schedule is subject to the following terms and conditions.

2. SCOPE OF SERVICE SCHEDULE

2.1 This Service Schedule is for the implementation of the VPN Supreme solution, which is a brand name of the Service Provider for a managed IP-based MPLS VPN solution. The solution provides Quality of Service (QoS) by means of various Classes of Service (CoS) from one Customer edge router through the network to another Customer edge router, as outlined in more detail in Annexure 1B.

2.2 The service elements as indicated in annexure 1C will be provided to the National Treasury by the Service Provider.

3. TERM

This Agreement will come into force and effect on the date of signing by the Party signing last in time and will endure for an initial period of **sixty (60) months** (hereafter referred to as "the Initial Period") calculated from the date of Commissioning of the entire network which include all the sites as indicated in Annexure 1D. Notice of renewal may only be given by the Customer three (3) months prior to the expiry of the Initial Period or any subsequent renewal period.

4. AGREEMENT DOCUMENTS

4.1 The following documents form part of this Service Schedule and shall be read in conjunction with these documents:

a) This Service Schedule 1

b) Annexure 1A: VPN Standard Terms & Conditions for Solutions;

Annexure 1B: VPN Solution Specification

Annexure 1C: VPN Service Levels

Annexure 1D: VPN Pricing and Site Schedule

Annexure 1E: Pro Forma Change Request Form

Annexure 1F: Site Installation Sign off Form

4.2 In the event of any ambiguity between these documents, the following order of precedence shall apply:

a) This Service Schedule, and

b) The annexures – 1D, 1C, 1A, 1B, 1F and 1E.

5. CHARGES AND PAYMENT

5.1 The charges for the Services to be provided hereunder are set forth in annexure 1D.

5.2 The Service Provider will commence invoicing of the Services on a per site basis on Commissioning of the main or head office site (s) of the solution. The National Treasury will pay the monthly charges for the month during which the Services are commence for any particular site when such Services are commissioned on or before the fifteenth (15th) of the month. No monthly charges for the first month of service for the particular site shall be payable if the Services are commissioned after the fifteenth (15th) of the month.

5.3 Adjustments

5.3.1 The monthly prescribed rental charges as published in the Service Provider's Tariff List shall be subject to adjustments from time to time, as lodged with the Regulatory Authority.

5.3.2 All other monthly Service charges will be adjusted on the first (1st) of January of each year, based on the percentage change in the year on year (December on December) Consumer Price Index (CPI) Headline Inflation Rate as published by Statistics South Africa, or if the publication of such Index is discontinued, the most similar Index as compiled and published monthly by Statistics South Africa in a statistical news release or anybody authorised in its stead, in terms of the Statistics Act 1976 as amended (or any statute replacing such Act).

5.3.3 The services associated with the equipment will be subject to the rate of exchange variations as the Service Provider will advise the National Treasury.

5.4 Installation Charges

The once-off Installation charges, as indicated in annexure 1D, will be invoiced on completion of each installation and will be payable within thirty (30) days from date of invoice. The site shall be considered fully installed when the Site Installation Sign off Form has been signed by both Parties **(annexure 1F)**

5.5 The charges as stipulated in annexure 1D are exclusive of Value Added Tax (VAT) at the standard rate.

6. ENTIRE SERVICE SCHEDULE

This Service Schedule and the annexures hereto constitute the entire agreement between the Parties and supersede any prior written or oral agreement or understanding with respect to the subject matter hereof. No interpretation, amendment, or change to this Service Schedule will be effective unless made in writing and signed by both Parties, except that each Party may change the address or the name of the person to whom notices to the Party will be sent by giving written notice of such change to the other Party.

SIGNATURE PAGE	
IN WITNESS WHEREOF, the Parties have caused this Service Schedule to be executed by and through their duly authorised representatives.	
TELKOM SA SOC LIMITED **SIGNED** at __________ on this _____ day of ________ 2018	**TELKOM SA SOC LIMITED** **CO-SIGNED** at Pretoria on this 09 day of November 2018
OMAR DAWJE PRINT NAME	Account Manager PRINT NAME
HEAD — NATIONAL PUBLIC SECTOR DESIGNATION	Zwelithini Mkhabela DESIGNATION
SIGNATURE	SIGNATURE
in the presence of the undersigned witness	**in the presence of the undersigned witness**
Bongani Molefe WITNESS: PRINT NAME	Simon Ditshego WITNESS: PRINT NAME
WITNESS: SIGNATURE	WITNESS: SIGNATURE
THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA IN ITS NATIONAL TREASURY **SIGNED** at Pretoria on this 23 day of November 2018 **In the presence of the undersigned witness:**	
STADI MNGOMEZULU PRINT NAME	SETOTOLWANE T. PHAGO WITNESS: PRINT NAME
DEPUTY DIRECTOR-GENERAL DESIGNATION	WITNESS: SIGNATURE
SIGNATURE	
By signing this signature page the Parties agree to be bound by this Signature Page, preceding terms and conditions and attached annexures which are incorporated in this Service Schedule by reference.	

ANNEXURE 1A

VPN STANDARD TERMS & CONDITIONS FOR SOLUTIONS

ANNEXURE 1A:

VPN STANDARD TERMS AND CONDITIONS FOR SOLUTIONS

1. DEFINITIONS

In this Service Schedule the following words will have the meaning as defined:

"Commissioning" means that the service elements of a service at a site are available for use by the National Treasury, and the National Treasury is truly deriving the use of the Service.

"Change Request Form" means a form incorporating the latest network of the National Treasury as will be attached to this Agreement.

"Equipment" means the Service Provider supplied equipment as is more fully set out in annexure 1B and 3D, which excludes the National Treasury's owned router equipment.

"Initial Contract Value" means initial committed value of all Services committed in this Service Schedule as adjusted in terms of clause 4.4 of the main part of this Service Schedule.

"Network Management" entails all the functions and processes involved in managing a network, as outlined in more detail in annexure 1C and/ or 1D.

"Professional Services" entails the consultation based services other than the Service(s) forming part of the VPN Supreme Services.

"Service(s)" means the Service Provider solution as defined in clause 1 of the main part of this Service Schedule.

"Service Schedule" means this Service Schedule 1 with the annexures and any subsequent Network changes documented and signed by both Parties, and

"Sites" means the Service Provider and the National Treasury's premises as is stipulated in annexure 1B and 1D.

2. NETWORK SERVICES

The Services provided in terms of this Service Schedule are subject to the Electronic Communications Act 36 of 2005 and the Service Provider's Standard Terms and Conditions, as amended from time to time. If there is any conflict between the Service Provider's Standard Terms and Conditions and this Service Schedule, the terms and conditions of this Service Schedule shall prevail. The Standard Terms and Conditions are available on request.

3. SERVICE PERFORMANCE

3.1 The VPN Service Levels which is attached hereto as annexure 1C, specifies the agreed service performance standards, levels and measurement criteria.

3.2 The Solution is monitored and managed by the Service Provider by way of exclusive access to the National Treasury's edge router. This provides the capability of securing end to end service levels as more detailed in annexure 1B, Solution Specification. The solution will be provided with COS, based on a detailed requirement definition, in absence of the requirement definition a recommendation will be made by the Service Provider and will be fully set out in annexure 1B. Provided that this may be altered once per site after Commissioning.

4. IMPLEMENTATION PLAN

4.1 Installations in order for the National Treasury to receive the Services will be performed according to an Implementation Plan to be provided and maintained by the Service Provider with the co-operation of the National Treasury, but which will conform to and not be in conflict with this clause. In order to allow necessary time for installation planning, the actual installation date for each site will be notified to the National Treasury by the Service Provider. Installations are normally scheduled for completion at any time during Business Hours, unless otherwise agreed on the Implementation Plan.

4.2 It is recognised that the Implementation Plan will be a living document, subject to being changed by the Service Provider with the co-operation of the National Treasury , but shall not be in conflict with the provisions of this Agreement and in particular this clause.

4.3 Documentation of the Implementation Plan will be kept up to date by the Service Provider and will be constantly available to the National Treasury.

4.4 The Service Provider can accommodate any additional installations or changes to the Network on request by the National Treasury, and the National Treasury acknowledges that additional charges may be levied and additional lead times can result from such deviation.

4.5 The National Treasury's personnel will provide the Service Provider with access to the site, and may on occasion reasonably be requested to keep the site open after normal business hours to allow timely completion of the installation.

4.6 Each Party will designate, in writing, a Project Manager, from time to time and for the time being, who will represent a Party in all aspects of the provision of Equipment and Services for the implementation period, which are reflected in the Implementation Plan.

4.7 Upon completion of the installation at a site, a "Site Implementation Sign Off" form will be signed by both Parties as set out in annexure 1F refers. The Service Provider shall provide the National Treasury seven (7) Business Days (or such longer period as may be agreed in writing by the Parties) to review a deliverable required to be Signed-Off. The National Treasury shall commence the review immediately upon receipt of the deliverable.

4.8 If no response is received by the Service Provider on the seventh (7th) days, the deliverable shall be deemed to be accepted by the the National Treasury.

4.9 Should the National Treasury accept the Deliverable it shall provide Sign-Off within five (5) Business Days thereafter.

4.10 Should the National Treasury reject the deliverable it shall do so in writing within five (5) Business Days thereafter giving detailed reasons for the rejection and specifying the additional information which, once incorporated, shall be sufficient to cause the National Treasury and/or to provide Sign-Off (**"Rejected Deliverable"**). Within fourteen (14) Business Days thereafter, the Service Provider shall amend the Rejected Deliverable in accordance with the National Treasury's additional information and resubmit it to the National Treasury for review in accordance with clause 4.7 above. This clause shall continue to apply until such time as the Rejected Deliverable is Signed-Off.

4.11 The Service Provider's failure to meet any Delivery Date as a result of a deliverable not being Signed-Off, shall amend the delivery dates of other deliverables accordingly, provided that the Service Provider shall use reasonable endeavours to catch up on delays so caused.

4.12 The Sign-Off or deemed Sign-Off of any Deliverable, shall be a factual determination that the deliverable to which it relates, meets the terms of the MSA, including the Specifications.

5. THE NATIONAL TREASURY RESPONSIBILITIES

5.1 The National Treasury hereby grants the Service Provider and the Service Provider's authorised representatives or sub-contractor access, subject to the National Treasury's reasonable security restrictions, to any Equipment installed on the National Treasury's premises for the purpose of the Service Provider performing the work required under this Agreement.

5.2 The National Treasury's personnel shall co-operate with the Service Provider service representative, as required, for installation, fault isolation and fault rectification. The National Treasury's processing facility shall be adequately staffed during installation and service coverage hours to assist with the Commissioning, fault isolation and fault rectification of remote sites.

5.3 If any equipment is supplied by the National Treasury as part of the Services, it remains the responsibility of the National Treasury to maintain such equipment for the duration of this Agreement. The National Treasury acknowledges that any equipment so supplied, will not be part of the Service Provider's maintenance with the supplier and any fault on such equipment will result in a "stop the clock" as set out in annexure 1C.

5.4 The National Treasury will reimburse the Service Provider for the call-out charges, as defined in item A1.2.2q(ii) of the Telkom's Tariff list (available at www.telkom.co.za/general/pricelist/index.htm), incurred by the Service Provider as a result of the National Treasury's failure to meet the obligations, as set out in clauses 5.1 to 5.3 above.

5.5 The National Treasury will at all times:

5.5.1 keep the Equipment safe and secure in its possession and shall not sublet such Equipment, or allow any third party to use such Equipment at the Sites;

5.5.2 not make any alteration to the Equipment, nor use the Equipment or permit it to be used for any purposes for which it is not designed or in contravention of any applicable law or regulation;

5.5.3 not hold himself out as the owner of the Equipment, nor sell, transfer, dispose of, mortgage, charge or pledge the Equipment or suffer or permit the possession of the Equipment to be taken from it ;

5.5.4 not fix the Equipment to land or to any building in such a manner as to become a fixture;

5.5.5 allow the Service Provider to affix or cause to be affixed to the Equipment, plates or other markings indicating the ownership of the Equipment;

5.5.6 allow the Service Provider and persons authorised by them, at all reasonable times during Business Hours, subject to clause 5.1 access and entry, for inspecting the Equipment, to any premises in which the Equipment may be situated; and

5.5.7 shall notify the landlord of the Service Provider's ownership in the Equipment where the

National Treasury does not own the premises where the Equipment are to be installed and shall obtain such landlord's consent to the installation of the Equipment on the said premises, prior to such installation.

5.6 Except where expressly agreed in writing with the Service Provider, the services shall not include repairs, replacements, adjustments or error corrections occasioned by:

a) Failure to observe the Service Provider's specifications relating to the Equipment use, and operating and environmental conditions;
b) misuse, abuse, negligence, accident; which was caused by employees, agents, representatives and sub-contractors of the National Treasury ;
c) modifications, alterations or attachments carried out other than by the Service Provider;
d) use of equipment, programs or accessories supplied by the National Treasury which is not technically suitable for use with the Equipment; and
e) work carried out on the Equipment by any person other than the Service Provider.

Any costs relating to repairs, replacements, adjustments or error corrections necessary as a result of non-compliance by the National Treasury , its employees, agents, sub-contractors or representatives in terms of this clause 6.6 will be invoiced for call-out charges as defined in item A2.1.3b of the Telkom's Tariff list (available at www.telkom.co.za/general/pricelist/index.htm) and actual costs for repairs, and/or replacements.

5.7 The National Treasury shall be responsible for any costs relating to environmental conditions, and the ready for occupation (RFO).

6. CHANGES TO THE SERVICES

Either Party may request changes to the Services from time to time and the Service Provider will supply such changes from the date agreed in accordance with annexure 1E (Change Request Form), a pro forma of which is attached hereto. Such changes and the charges thereof shall be agreed as set out in annexure 1E (Change Request Form). Unless otherwise agreed in writing, such changes will become part of the Services and the relevant annexures to this Service Schedule will be regarded as updated to reflect such changes, including without limitation annexure 1B (Services), annexure 1C (Service Levels) and annexure 1D (Charges).

6.1 Changes to this Service Schedule.

6.2 Amendments to the content of this Service Schedule which do not impact the nature or scope of the Services provided shall not be subject to the Change Request Form, but shall be executed by way of an addendum signed by authorised signatories of both the National Treasury and the Service Provider.

6.3 Any changes to the Network not requiring a re-negotiation of this Service Schedule will be reflected in an updated annexure 1D, which will be signed by duly authorised representatives of both Parties and will be deemed to be incorporated into this Service Schedule. This updated annexure 1D will sequentially be numbered D1, D2, etc. and will be regarded as the latest reflection of the Network for purposes of this Service Schedule.

6.4 It is recorded that certain equipment may only be available on a fixed rental period, which will be indicated on the updated annexure 1D. If for whatever reason, the fixed rental period has not expired at the termination of the Agreement, this clause shall survive the termination of the Agreement and the National Treasury will be responsible for payment of the Equipment rental until the expiry of the fixed rental period. The National Treasury may however terminate the fixed rental period subject to the termination fee applicable to the fixed rental period.

7. SUSPENSION

The Service Provider may from time to time suspend the Service in any of the following circumstances:

7.1 if the National Treasury fails to comply with any of the terms and conditions of this Service Schedule (including failure to pay any charges due, except for disputed charges in terms of clause 4.2 of the main part of this Service Schedule) after seven (7) days written notice was given to the National Treasury until the breach (if capable of remedy) is remedied; or

7.2 during any modification or maintenance of the Service Provider's Equipment, in accordance with the Service Levels, annexure 1C.

8. DOWNGRADE AND CANCELLATION

8.1 The National Treasury will be allowed to cancel site(s) and/or downgrade the bandwidth for site(s) as long as the new contract value is not less than 93% of, the initial contract value as escalated in terms of clause 4.4 of the main part of this Agreement (hereinafter referred to as "Initial Contract Value") without incurring a cancellation fee.

8.2 If the National Treasury cancels site(s) and/or downgrade the bandwidth which results that the new contract value being less than 93% in terms of 9.1 above, then the National Treasury shall be charged a cancellation fee calculated as 65% of the present value of future payments of the then current Service Charges for the specific site(s), which would have fallen due during the remainder of the Initial Period or subsequent renewal period(s).

8.3 Notice of cancellation and/or downgrade of site(s) should be given to the Service Provider by the National Treasury by way of written notice and should the Service Provider receive such notice from the National Treasury on or before the fifteen (15th) of the month, the cancellation and/or downgrade will still be effected as from the first (1st) of that month, however, should the Service Provider receive such notice after the fifteen (15th) of the month, the cancellation and/or downgrading will only be effected from the first (1st) of the following month.

9. TERMINATION

9.1 Termination will not discharge either Party from performing any obligation already due or from making payment of any sums already due or becoming due by reason of the termination.

9.2 Upon termination, for whatever reason, the National Treasury will no longer have any right to the use of the Equipment and will immediately make available all Equipment supplied pursuant to any provisions of this Agreement, and the Service Provider may enter any premises to recover or remove such Equipment.

9.3 If this Agreement shall terminate at any time by reason of the act, default or breach of this Agreement by the Customer, resulting in the Service Provider not being able to meet its requirements in terms of this Agreement, then the National Treasury will be liable to pay forthwith to the Service Provider:

a) all arrear Service charges and other sums due at the date of termination; and

b) The Customer shall be charged a cancellation fee calculated as 65% of the present value of future payments of the then current Service Charges for the network, which would have fallen due during the remainder of the Initial Period or subsequent renewal period(s).

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ANNEXURE 1 B

VPN SOLUTION SPECIFICATION

Table of Contents

1. Introduction

As Africa's premier digital solutions partner, Telkom SA SOC Limited (Telkom), understands that the National Treasury cares about the future of the National Treasury's business and the clients that are such an integral part of it. We also understand that the National Treasury is looking for a partner that will take care of its Information and Communications Technology (ICT) needs while the National Treasury focuses on its core mandate. That is why our clients partner with Telkom. We have strengthened our digital ICT expertise to help build the business that matters to us:

Telkom offers various capabilities inclusive of:

- Customisable, scalable ICT solutions and integrated, end-to-end services;
- Reliable, state-of-the-art technology and infrastructure;
- Operational excellence with highly-specialised expertise, experience and brainpower under one roof;
- Partnerships with commitment to the National Treasury's organisation;
- End-to-end telco, Information Technology (IT) and cloud solutions from a single source; and
- High-speed, high-quality bandwidth options based on our ability to leverage off key infrastructure that Telkom has deployed within South Africa for example, Telkom's capacity conditions for its FY2016 was 1.5 Terabytes per second (TBps) for Internet Protocol (IP) network capacity. This is a combination of managed data networks and Internet. From this capacity Telkom has managed over 40 100 Terabytes (TB) of traffic. Telkom has invested in more than R15 billion in a Next Generation Network (NGN) in South Africa over recent years. The National Treasury will benefit from Telkom's investment in ICT infrastructure and related ICT solutions.

Overview of the National Treasury's requirements

The National Treasury requirements, as understood by Telkom have been detailed in paragraph 5 below.

2. Our Proposed Solution

In line with Telkom's understanding of the National Treasury's requirement, our solution addresses the National Treasury's MPLS, requirements as depicted below:

- VPN Supreme solution will be used to address the MPLS connectivity requirements for the National Treasury sites to access Hosted Collaboration Solution (HCS) at Centurion Data Centre including proactive network management for all sites connected by means of access Metro Ethernet links.
- The WAN includes the service access point (also known as the Terminal Connection Equipment or TCE), which is the single interface point to the LAN on National Treasury's premises.
- This solution will also include new Cisco 4000 series routers for each site the QoS will be configured on 75% Real Time and 25% General Data.

Initials: SD S.J.

National Treasury Voice VPN Network						
Site	Access	Class of Service				Cisco router
		RT	IB	BB	GD	
Shared Access	Metro Ethernet	10250	0	0	3750	Cisco 0000
Madiba Pretoria HQ	Metro Ethernet	7500	0	0	2500	Cisco 4221
Church Pretoria	Metro Ethernet	2250	0	0	750	Cisco 4221
Cape Town	Metro Ethernet	1500	0	0	500	Cisco 4221
Centurion	Metro Ethernet	2250	0	0	750	Cisco 4221

3. WAN Solutions

To meet the National Treasury's requirements of enjoying high levels of service delivery, Telkom is offering the National Treasury an end-to-end, totally integrated Internet Protocol (IP) VPN solution with Quality of Service (QoS), based on Multi-Protocol MPLS.

- In this solution offered, the National Treasury sites will be interconnected via a VPN using Telkom's IP Network as indicated in the network diagram. This solution is based on Metro-Ethernet for the last mile access.

- The bandwidth requirements are based on assumptions to cater to the National Treasury's requirements and if network response times become too high, these circuits should be upgraded and quality of service packages be investigated.

- On each site the Customer Edge (CE) router will be based on Cisco's 4000 Series Integrated Services Router (ISR) hardware.

- End-to-end active network management inclusive of:
  - Router configuration management and reporting;
  - Router lifecycle management; and
  - Service restoration SLA.

VPNS (MPLS) will provide the below benefits:

- Pro-active Monitoring with Fault Reporting
- Availability Service Levels
- Performance Service Levels
- Granular QoS
- Detailed data flow Reporting and Statistics
- Various last mile access options (Fibre, Copper, DSL, LTE, 3G, Microwave and Satellite)
- Scalability
- Stability.

For additional information regarding the pricing please refer to Annexure 1D

4. High-Level Network Design

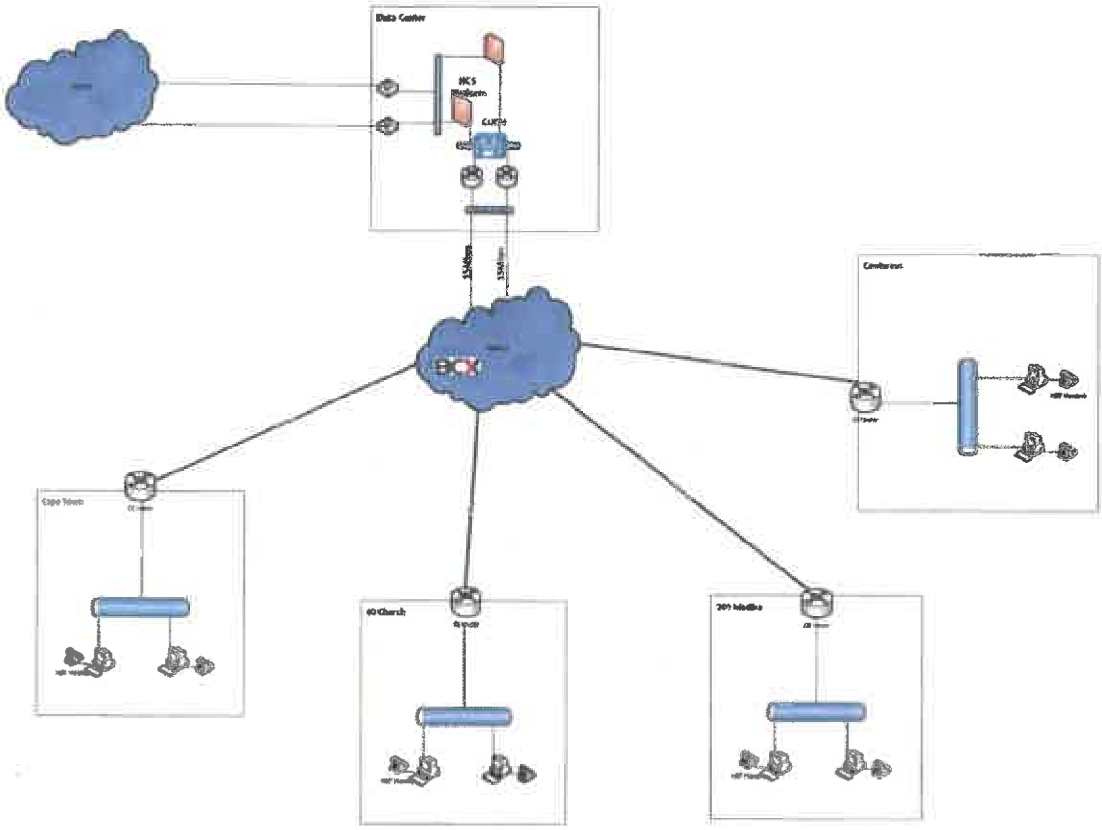

Figure 1: A basic overview of the proposed solution

5. Site Details

Number	Site Name	Access Bandwidth	Access Type
1	NTRS-004-Centurion Data Centre	15Mbps	Metro Ethernet
2	NTRS-005-Madiba	10Mbps	Metro Ethernet
3	NTRS-003-Cape Town	2Mbps	Metro Ethernet
4	NTRS-002-Centurion	3Mbps	Metro Ethernet
5	NTRS-001-Church	3Mbps	Metro Ethernet

Initials:

ANNEXURE 1C

VPN SERVICE LEVELS

Annexure 1C VPN: Service levels

TABLE OF CONTENTS

1 PURPOSE

This schedule with the attached appendices forms the VPN: Service Levels between the National Treasury and the Service Provider. The purpose of this document is to define and measure the Services supplied by the Service Provider to the National Treasury.

This VPN: Service Levels defines the following:

- The Services to be provided by the Service Provider to the National Treasury;
- The roles and responsibilities of the Parties in providing and managing the required services;
- The measurement definitions used to determine the level of service that is provided;
- The method of remedy framework for non-performance.

1.1 Changes to the VPN: Service Levels appendices

It is assumed that in due course the National Treasury may opt to change the service elements or the levels of service for specified services from those initially agreed to in this VPN: Service Levels. This schedule is designed to accommodate these changes. All appendices attached to this VPN: Service Levels schedule may be amended from time-to-time by mutual agreement between the Service Provider and the National Treasury as circumstances, service requests and cancellations dictate.

1.2 VPN: Service Levels Coverage

Only sites residing within the borders of South Africa shall be covered by this schedule. Dial up services are not covered by this VPN: Service Levels.

2 TYPE OF SERVICE

The VPNS service provides the National Treasury with active network management, router repair, maintenance and measurement of QoS. The service is an integrated IP VPN solution, based on Multi-Protocol Label Switching (MPLS).

3 SCOPE

The following Service is supplied by the Service Provider to the National Treasury.

Service	Monitoring & Management	Reporting	Hardware Maintenance (CE Router)	Link Maintenance	Time to Repair Commitments	Performance Commitments
VPNS Service	Active	Incident Report and Performance report	Yes	Yes	Yes	Yes

4 DEFINITIONS

Term	Acronym	Meaning of Acronym or Description of Term
Account Manager	AM	The Account Manager (AM) is responsible for all aspects of the Customer relationship, and may also be referred to as the Business Consultant or Sales Representative
Agreed Accumulated Down Time	AADT	For each SE a timer will be implemented that accumulates the TTRs of all breaks in service recorded as CIs for the month. These timers will be restarted at the beginning of each month.
Bulk Business	BB	Bulk Business Class of Service defines traffic with a medium to high delay tolerance.
Contact Centre	-	The fault reporting and technical assistance centre of the Service Provider's Customer Network Care division.
Contractual Incident	CI	An incident that is recognised by the Parties as requiring formally managed actions in terms of this VPN: Service Levels. Down time resulting in CIs will be counted in the month in which they are resolved and will not contribute to down time in previous months.
Contractual Incident Clock	CIC	A timer that accumulates the time taken by the Service Provider, which excludes Clock Stop Time, to resolve a Contractual Incident.
Customer Edge Router	CE	The router at the National Treasury's premises that is the demarcation point between the WAN and the LAN.
Class of Service	COS	Classification of the National Treasury 's traffic allocated to different virtual classes of service per link
Customer Premises Equipment	CPE	An item of equipment that does not form part of the Public Switched Telecommunications Network but is connected, or is intended to be connected, to TCE and by means of which signals are initially transmitted or ultimately received.
Central Processing Unit	CPU	Central Processing Unit
Clock Stop Time	CST	All time periods including allowances and exclusions that result in the suspension of the CIC.

Term	Acronym	Meaning of Acronym or Description of Term
Cleared While Localizing	CWL	The Service Provider will declare a reported fault Cleared While Localizing if the faulty service element has been proven unavailable, but repairs whilst the Service Provider is busy localizing the cause.
Fault		A failure of a Service Element that is correctly logged at the Service Provider's Contact Centre.
General Data	GD	General Data Class of Service is used with traffic prioritization on the access, or as a buffer class to accommodate bursting of the low latency classes
Guaranteed Maximum Time to Repair	GMTR	The maximum TTR allowed per SE, per month, for the Service Provider to repair the service without attracting service credits.
Guaranteed Maximum Quality Violations	GMQV	The maximum accumulated quality violations allowed per path (based on classes of service), per Month, before the Service Provider will attract performance service credits. Latency guarantees will be used as the sole method of remedy for performance violations, and will contribute to Critical Service Level Credits.
Interactive Business	IB	Interactive Business Class of Service defines traffic with low delay tolerance
Internet Protocol Virtual Private Network	IP VPN	Internet Protocol Virtual Private Network
Multi-Protocol Label Switching	MPLS	MPLS changes the hop-by-hop paradigm by enabling devices to specify paths in the network based upon QoS and bandwidth needs of the applications. It is designed traverse traffic using label switching rather than IP packets.
Provider Edge Router	PE	The Service Provider IP network core router. Also known as a distribution router.
Quality of Service	QoS	Quality of Service (QoS) is the ability to control the mix of bandwidth, delay, variances in delay (jitter), and packet loss in a network in order to deliver a specific kind of service.
Real Time	RT	Real Time Class of Service is used for packetised voice and other multimedia applications that are intolerant to delay and jitter.
Right When Tested	RWT	The Service Provider will declare a reported service element Right When Tested if no trace of a fault condition could be identified
Service Cover Period	SCP	The period during the day that this schedule will cover the Service Element. The cover required at a particular site is indicated in appendix B.
Service Element	SE	A Service Element is a single Customer service as provided at the TCP at a particular Customer Site (also referred to as circuit or link).
VPN: Service Levels	VPN: Service Levels	This Annexure

Term	Acronym	Meaning of Acronym or Description of Term
Service Credit	SP	The amount the Service Provider will credit to a Customer if the service levels are not met
Terminal Connection Equipment	TCE	Equipment provided by the Service Provider at the National Treasury 's premises
Terminal Connection Point	TCP	Any point within an item of TCE at which signals are conveyed to or from one or more items of CPE.
Time To Repair	TTR	The time taken from the start of a CI till the time of service repair, less any Clock Stop Time, as agreed between the parties.
Virtual Private Network	VPN	Data network that has been put in place using IP technology for the sole use of the Customer
Virtual Private Network Supreme	VPNS	End-to-end totally integrated IP VPN solutions with Quality of Service, based on Multi-Protocol Label Switching.
Wide Area Network	WAN	Any internet or network that covers an area larger than a single building or campus.

5 SERVICE FEATURES

The Service Provider offers the following service features within the solution:

Service	Contact Centre 24 hours a day 7 days a week	Hardware Configuration	Management
VPNS Service	0800 11 61 61	Yes	The Service Provider will actively monitor the defined service elements to detect faults.

6 ROLES AND RESPONSIBILITIES

Service Delivery Area	Area of Responsibility	The National Treasury's responsibilities	Service Provider responsibility	Supporting Information
Relationship	The Service Provider Account Manager		• The Account Manager (AM) will manage and own all aspects of the relationship, and is the prime interface for providing quotations, assisting with billing queries and ordering of new services that the National Treasury may require from the Service Provider.	
	The Service Provider Service Manager	• Single point of contact for all related services delivered for this VPN: Service Levels	• The Service Manager (SM) is responsible for managing all operational aspects of the Service delivered to the National Treasury in terms of this VPN: Service Levels.	
Meetings	Periodic Review	• Schedule the quarterly contract review.	• To be available to discuss with the Customer Service Level performance and improvement initiatives	• Review meetings will be held on a quarterly basis

Service Delivery Area	Area of Responsibility	The National Treasury's responsibilities	Service Provider responsibility	Supporting Information
Network Management			• The Service Provider manages the National Treasury's Network by means of in-band communications links. These links consume a small amount of bandwidth, approximately every 5 minutes to transfer the router status tables to the network management system	

Service Delivery Area	Area of Responsibility	The National Treasury's responsibilities	Service Provider responsibility	Supporting Information
Activation	Network Changes	• To define the scope and timing of the changes to existing Services • Single point of contact to sign completion form after any change and provide form to the Service Provider Sales Representative • Single point of contact to confirm and sign-off Consolidated Site Schedules on a monthly basis	• To initiate relevant changes of new and existing services as per the National Treasury 's requirements • The Service Provider to present the National Treasury with a committed date for the change to take place • Obtain signed completion form from the National Treasury to initiate billing of service (annexure 1F) • To update the Consolidated Site Schedules	• A new Service will be included in the VPN: Service Levels as of the first day of the calendar month following the date of final commissioning of the Service. The Service will be removed from the VPN: Service Levels on the last day of the month preceding the date of cancellation of the Service
Assurance	Monitoring and Management	• The National Treasury to log all the Service Provider related incidents to the Service Provider fault acceptance centre • The National treasury to supply a fault reference number to the Service Provider when an incident is logged or cleared • To make available a single point of contact and/or helpdesk number for the Service Provider to interact with	• Actively monitoring the network within the Service Cover Period to identify any incidents • Notify the National Treasury within 15 minutes of identifying an incident • Logging and tracking of CIs for all problems from identification to resolution • Provide a single point of contact for logging all the Service Provider related Incidents • Provide the National Treasury with a fault reference number • Provide a point of escalation • Hourly feedback to the National Treasury regarding the restoration progress	• Should the incident prove not to be a Contractual Incident it will be marked as such and will not contribute to the contractual time • Refer to **Appendix A** of this VPN: Service Levels for the escalation procedure

Service Delivery Area	Area of Responsibility	The National Treasury's responsibilities	Service Provider responsibility	Supporting Information
Incident Classification				• Faults categorised as "Cleared While Localising (CWL)" will be included in the AADT • Faults categorised "Right When Tested (RWT)" will be excluded from AADT
Exclusions	Call Out	• The National Treasury should ensure that the premises are accessible to the Service Provider to facilitate the restoration process	• The Service Provider to make appropriate arrangements with the National Treasury before dispatching any the Service Provider staff to the National Treasury's premises	• Should the Service Provider dispatch a technician to the National Treasury's premises after appropriate arrangements were made with the National Treasury, and cannot gain access to the National Treasury's premises, or prove the incident to be due to a resource or service not provided by the Service Provider, then the Service Provider reserves the right to charge the National Treasury for the callout at the Service Provider's ruling standard rate of recovery for the level of staff dispatched. The Contractual Incident will furthermore be exempted from the provisions of this VPN: Service Levels and the Contractual Incident Clock for the particular fault will be reset to zero, or deferred for as long as such circumstances prevail.

Service Delivery Area	Area of Responsibility	The National Treasury's responsibilities	Service Provider responsibility	Supporting Information
	Incidents outside the Service Provider's control			• All incidents caused by a factor outside of the Service Provider's control, including but not limited to, private indoor cables, air conditioning, power, or cable theft shall be exempted from the provisions of the VPN: Service Levels and will not be considered as a Contractual Incident.
	Force Majeure	• The National Treasury will not accept liability for incidents, which are classified Force Majeure	• The Service Provider will not accept liability for incidents, which are classified Force Majeure	• Force Majeure events shall be excluded from the calculation of down time.
	Negligent act or failure to act			• The Service Provider shall not be held liable for an incident where ascribable to a negligent act, or failure to act of the Customer its employees, agents, sub-contractors or any other person providing services to them. • The Service Provider shall be held liable for an incident where ascribable to a negligent act, or failure to act by their employees, agents, sub-contractors or any other person providing services to them.

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Service Delivery Area	Area of Responsibility	The National Treasury's responsibilities	Service Provider responsibility	Supporting Information
	Scheduled Down Time		• The Service Provider's Standard Maintenance Window is defined as the period between 00h00 and 06h00 on Sunday mornings. • Maintenance down time that falls outside the Standard Maintenance Window will be arranged with the National Treasury at least 48 hours before the down time will commence • The Service Provider will notify the National Treasury of any scheduled down times ≤ 48 hours in advance	• Scheduled Maintenance Down Time will not be considered as a Contractual Incident
	Dangerous circumstances			• The Contractual Incident Clock shall be stopped if the restoration cannot be executed due to dangerous circumstances as defined in the Occupational Health and Safety Act, Act 85 of 1993, as amended from time to time and any regulation promulgated thereunder. The National Treasury shall be advised of the situation and the Contractual Incident Clock will be stopped until the dangerous circumstances have been removed
Data Security	Encryption	• The Customer is responsible for any encryption that may be required	The Service Provider is not responsible for any encryption that may be required.	

Service Delivery Area	Area of Responsibility	The National Treasury's responsibilities	Service Provider responsibility	Supporting Information
	Reconstitution of information			• The Service Provider will not attempt to reconstitute any message transmitted across the Network
General	Finalisation of Contractual Incidents	• The National Treasury to have properly authorized personnel available who can accept the repaired service and issue a customer reference number	• The Service Provider shall ensure that all incidents are finalized with the National Treasury, and obtain a customer reference number	• It is agreed that all Contractual Incidents, including those with Clock Stop Time, also referred to as deferred time, be finalized at the time the service is handed back to the National Treasury. This includes reaching agreement as to which Service Element suffered the break in service, the value of the Time to Repair and the cause of the fault.

7 MANAGED SERVICES PORTAL

7.1 Managed Services Portal Overview

The Service Provider will make available to the National Treasury, through the Service Provider Managed Services Portal (MSP), near real-time and historical network performance and incident management information as it relates to the National Treasury's VPNS network. The MSP is provided as a value added service to compliment the management service performed by the Service Provider. It is important to note that only actively managed services will be visible on the MSP.

7.1.1 Managing of access rights

Access to the MSP is controlled by means of the Service Provider provided username and password. Only once the National Treasury's network has been fully rolled out and signed-off will the National Treasury be able to request access to the Managed Services Portal. Once the National Treasury's network has been fully implemented the National Treasury may request access to the MSP by following the process detailed below:

a) The National Treasury is required to send an e-mail request to ManageUS@telkom.co.za containing the information listed in point (b) below.

b) The National Treasury is required to provide the following information as part of the MSP access request:
   i. Customer name (as per the contract)
   ii. User: Name and Surname
   iii. User: Designation
   iv. User: Contact details
   v. Action required: Add user / Remove user

c) Once the Service Provider has confirmed the customer's details the Service Provider will issue the customer with the necessary username and password.

d) The MSP service can be accessed via the internet at the following address https://www.msp.telkom.co.za

7.1.2 MSP availability

It is important to note that although the MSP can be accessed on a 24x7x365 basis, the Service Provider does not offer any guarantee on the availability of the MSP. Please note that a lack of availability of the MSP has no impact on the actual availability of the National Treasury network.

7.1.3 MSP assistance

The National Treasury may consult the online help function or user manual for more information about a particular service feature or functionality.

7.1.4 Managing of access rights

It remains the National Treasury's responsibility to manage and control the users that have access to its network via the MSP. Should the National Treasury require the Service Provider to remove access rights from any specific user, or require a password change, the National Treasury should follow the process highlighted under section 7.1.1 above.

8 REPORTING

The Service Provider offers the following reports for the service:

Service	Type of Report	Report Contents	Frequency
VPNS Service	Performance management Report (Customer Edge routers only)	• Wan Availability • Bandwidth utilization per WAN interface • WAN Health Index • Router Availability • CPU utilization per router • Memory utilization per Router • Router Health Index	• Report will be made available to the National Treasury monthly
VPNS Service	Site Incident Report	• List of all CIs that were logged on the fault logging system • The time and date when the CI was logged • The time and date when the CI was cleared • Customer reference responsible for clearing the fault • Fault reference number/s the Service Provider and National Treasury • Downtime per CI • Agreed Clock Stop Time per CI • Number of Service Elements in the VPN: Service Levels • Total number of faults for the month	• Report will be made available to the National Treasury monthly

9 SERVICE COVER PERIOD

The Service Cover Period (SCP) is the period during which the services will be actively managed and covered by this VPN: Service Levels. The SCP required for a particular site is independent of the Service Level offered and is indicated per site in the Consolidated Site Schedule (Appendix B). Any downtime accumulated outside the above mentioned SCP will be considered as non-contractual downtime and will not be taken into consideration for service credit calculation purposes. The Service Provider has the following service cover options available as shown in Table 1 below:

Table 1:

SCP Option	Service Cover Period
Standard	07:00 - 17:00 on Monday to Friday, excluding weekends, and public holidays
Extended	07:00 – 22:00 Monday to Friday and 07:00 – 17:00 on Saturdays, including public holidays, but excluding Sundays.
Prime	07:00 – 19:00 Monday to Saturday, including public holidays
Prime Plus	07:00 – 19:h00 Monday to Sunday, including public holidays
Premium	24 hours a day, 7 days a week, all year round

9.1.1 Time to Repair Service Credits

In the event that the Agreed Accumulative Down Time (AADT) exceeds the agreed GMTR, as defined in Appendix B, then the following formula will be used to calculate the appropriate service credit:

$$Service\_Credit = \frac{AADT(hrs) - GMTR(hrs)}{T\max(hrs) - GMTR(hrs)} * (Value\_for\_service\_credits)$$

GMTR:	Guaranteed Maximum Time to Repair
AADT:	Agreed Accumulative Down Time
Value for Service Credits:	Value for Service Credits is equal to 30% of the monthly rental
TMax:	The maximum time Tmax equals 4 times GMTR (GMTR x 4 = Tmax)
Service Credit Cap:	In no event will the monthly Service Credits offered to the Customer exceed 30% of the monthly rental of the affected Service Element

10 RULES OF ASSOCIATION

In the case of a Gold, Platinum or Platinum Plus Service Level, the Service Provider provides two separate connections. The rules of association that determine performance and the payment of service credits on this Service Level are as follows:

- A failure of a single path will not attract service credits, as the service remains available
- Any degradation of the service as a result of a single path failure (where such primary and secondary paths are used for load sharing/balancing), will not be considered as a contractual incident nor a failure of the service
- A concurrent failure of both paths will attract service credits if the down time exceeds GMTR for the period during which both circuits are down as the service will be affected.

Performance Service Level

10.1.1 Quality of Service (QoS)

Quality of Service (QoS) is the ability to control the mix of bandwidth, delay, variances in delay (jitter), and packet loss in a network in order to deliver a specific kind of service. To achieve optimum utilisation of resources the National Treasury will need to define the network policies for a particular service, which should then align the network resources with the business objectives. The policies would be enforced by means of QoS mechanisms.

10.1.1.1 Table 4: Classes and associated Quality of Service parameters

Class of Service	Measurement Criteria	Service Level Offered
Real-time (RT)	One-way (PE-PE)	Yes
Interactive Business (IB)	Round Trip (PE-PE)	Yes
Business Bulk (BB)	Round Trip (PE-PE)	Yes
General Data (GD)	Round Trip (PE-PE)	No

10.1.2 Performance Service Credits

10.1.2.1 The Service Provider will measure and report on Latency per CoS that carries the National Treasury data traffic per hour per Site.

10.1.2.2 Latency is measured using Cisco probes known as Service Assurance Agents. The agents generate synthetic IP packets which are embedded in the National Treasury's traffic flow, and consist of two parts an originator and responder.

10.1.2.3 In the event of the Service Provider's failure to provide the Latency Critical Service Levels stated in Table 3, 4 and 5 in any month, it shall be required to pay Service Level Credits which shall be calculated as follows:

$$Service\_Credit = \frac{APV - GMQV}{MPQV - GMQV} * (PathWeighting * Value\_for\_service\_credits)$$

GMQV:	5 Violations per month per link per class of service.
APV:	Accumulated Performance Violations per path
MPQV:	Maximum Penalizable Quality Violations (10 x GMQV)
Path Weighting%:	As per attached Appendix C
Value for Service Credits:	A maximum service level credit of thirty percent (30%) of the Site's
Monthly QoS amount	
Service Credit Cap:	In no event will the monthly Service Credits offered to the Customer exceed 30% of the monthly QoS amount.

11 SERVICE IMPROVEMENT COMMITMENT

The Service Provider in conjunction with the National Treasury will formulate a plan to continuously monitor the Services provided and put plans in place to improve upon the Services provided.

12 BUSINESS CONTINUITY

In the event of a disaster, the Service Provider must work with the National Treasury to restore Services at the current location or at an alternative location if so required (where infrastructure and capability exist). Notwithstanding the aforementioned, the Service Provider shall not accept any liability for disaster recovery.

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APPENDIX A
TO
VPN: SERVICE LEVELS

CUSTOMER ESCALATION PROCEDURE

Please note that the Service Management escalation procedure provided in this Appendix A is limited to the Services described and included in this VPN: Service Levels. The Service Provider Service Manager will not attend to any queries from the National Treasury which fall outside of the scope of this VPN: Service Levels.

For service requirements which fall outside of the scope of this VPN: Service Levels the National Treasury should contact the Service Provider Sales Representative and follow the Service Provider Sales Management escalation process.

Service Provider: Service Management

Contact Centre	Escalation 1	Escalation 2	Escalation 3
0800 116 161	Service Manager	Manager	Senior Manager
	Marianna Van Eyk	Bobby Nkomo	Kennedy Baloyi
	mariannav@bcx.co.za	Bobby.Nkomo@bcx.co.za	Kennedy.Baloyi@bcx.co.za
	081 317 5432	081 353 9509	081 354 7490

Service Provider: Sales Management

Escalation 1	Escalation 2
Account Executive	Executive
Zwelithini Mkhatshwa	Omar Dawjee
Zwelithini.Mkhatshwa@bcx.co.za	Omar.dawjee@bcx.co.za
065 999 0917	065 999 1547

The National Treasury:

Planned Maintenance Single Point of Contact	Primary contact	Secondary contact
Joyce Mchunu	Selaelo Modiba	Tshidiso Sehloho
Joyce.mchunu@treasury.gov.za	Selaelo.modiba@treasury.gov.za	Tshidiso.sehloho@treasury.gov.za
012 315 5209	012 315 5677	012 315 5131

APPENDIX B
TO
VPN: SERVICE LEVELS

VPNS CONSOLIDATED SITE SCHEDULE

Site Name (Customer site name or code)	Service Element (The Service Provider Equipment - Serial / Circuit number)	Service Level (Bronze, Silver)	GMTR (Guaranteed Maximum Time to Repair - Hours)	Service Cover Period (Standard, Extended, Premium)	Service Description: Speed (512 Kb/s, 128Kb/s etc)	Class of Service Package (Foundation 1, Meridian 5 etc.)
NTRS-004-Centurion Data Centre	**New**	Platinum Plus	0,5	Standard	**15Mbps**	**Real Time (RT), General Data (GD)**
NTRS-005-Madiba	New	Silver	6	Standard	10Mbps	Real Time (RT), General Data (GD)
NTRS-003-Cape Town	New	Silver	6	Standard	2Mbps	Real Time (RT), General Data (GD)
NTRS-002-Centurion	New	Silver	6	Standard	3Mbps	Real Time (RT), General Data (GD)
NTRS-001-Church	New	Silver	6	Standard	3Mbps	Real Time (RT), General Data (GD)

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APPENDIX C TO VPN: SERVICE LEVELS

VPNS PATH WEIGHTING SCHEDULE

Primary Site Name	Secondary Site Name	Link Weighting (Percentage %)
NTRS-004-Centurion Data Centre	NTRS-005-Madiba	100%
NTRS-004-Centurion Data Centre	NTRS-003-Cape Town	100%
NTRS-004-Centurion Data Centre	NTRS-002-Centurion	100%
NTRS-004-Centurion Data Centre	NTRS-001-Church	100%

ANNEXURE 1D

VPN PRICING AND SITE SCHEDULE

ANNEXURE D

GLOBAL VIRTUAL PRIVATE NETWORK SUPREME SOLUTION PRICING:

Site Name		Circuit Number (53-88888-00)	Access Bandwidth	Access Type (Diginet, ATM, etc)	SLA Type (Bronze, Silver, etc)	Service Cover Period (Standard, etc)	Router Ownership (Telkom Rented, etc)	Router Type (Cisco 2821-2S-IE, etc)	CoS Package Type (Mercurian, etc)	Class of Service Allocation (CoS)				Wass	Backup	A VPN Supreme		B SLA	
No	Site Name (insert site status if changed, e.g. (Upgraded))									RT	IB	BB	GD			VPN Services		Availability SLA Value for Service Credits	Performance SLA Value for Service Credits
																Installation	Monthly charges		
1	[illegible]	New	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]			[illegible]	[illegible]	[illegible]	[illegible]
2	[illegible]	New	[illegible]	[illegible]	[illegible]	[illegible]	Telkom Rented	Cisco 4221 [illegible]	[illegible] Custom Package	[illegible]			[illegible]			[illegible]	[illegible]	[illegible]	[illegible]
3	[illegible]	New	[illegible]	[illegible]	[illegible]	[illegible]	Telkom Rented	Cisco 4221 [illegible]	[illegible]	[illegible]			[illegible]			[illegible]	[illegible]	[illegible]	[illegible]
4	NTRS-402-[illegible]	New	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cisco 4221 [illegible]	[illegible]	[illegible]			750			[illegible]	[illegible]	[illegible]	[illegible]
5	[illegible]	New	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cisco 4221 [illegible]	[illegible]	[illegible]			750			[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL															[illegible]	[illegible]		

ADSL Router Restore	Re-active	07h00 Monday to 17h00 Friday, excluding public holidays
Standard	Pro-active	07h00 Monday to 17h00 Friday, excluding public holidays
Extended	Pro-active	07h00-22h00 Monday to Friday, including public holidays 07h00-17h00 Saturdays incl. public holidays
Premium	Pro-active	24 hours a day, 7 days a week, all year round

Provisions and exclusions

Escalation
- The monthly PSTN rental charges will be subject to TELKOM's annual tariff increase as published in TELKOM's Tariff List.
- All other monthly Service charges will be escalated on the 1st (first) of January of each year, based on the percentage change in the year on year (December on December) Consumer Price Index (CPI) - as published by Statistics South Africa PO141.1, Metropolitan areas - Core Inflation - or if the publication of such index is discontinued, the most similar index as compiled and published monthly by Statistics South Africa in a statistical news release or any body authorised in its stead, in terms of the Statistics Act 1976 as amended (or any statute replacing such Act).

Installation Charges
The once-off installation charges, will be invoiced on completion of each installation and will be payable within 30 (thirty) days from date of invoice.

Value Added Tax (VAT)
-The charges as stipulated in Annexure D are exclusive of Value Added Tax (VAT) at the standard rate.

General
- The current service terms and conditions pertaining to Telkom's tariffed services apply.
- Should a change in the requirement have an impact on the above solution, it could affect the pricing.
- Certain services depends on availability.
- Errors and Omissions excluded.

NATIONAL TREASURY

Name ....

Signature ....

Designation ....

Date ....

TELKOM

Name ....

Signature ....

Designation ....

Date ....

S.J. 21

ANNEXURE 1E

PRO FORMA CHANGE REQUEST FORM

Change Request to the existing Contract

Original Contract number / Opportunity number: ______________________

Installation: [ ] **Move:** [ ] **Addition:** [ ] **Change:** [ ] **Recovery:** [ ]

Quotation: [ ]

Requested Date: ______________________

Opportunity Number: ______________________

Service type (Specify Detail): ______________________

Address of Service: ______________________

Initial Contract Period: ______________________

Quote number: ______________________

Site Service Charges: ______________________

Once off: ______________________

Installation: ______________________

Rental: ______________________

Services Included in the quote ______________________

Attached: (appendix with details if multiple sites) ______________________

Relevant Circuit ID No's: ______________________

Note: Should this Change Request be accepted it will serve as an addendum to the existing contract and the billing will be amended according to the provisions of the existing contract.

Note: Billing will commence once the service has been commissioned

Change Request Accepted

Signed: ______________________

Customers Name ______________________

Designation ______________________

Company ______________________

Date: yyyy-mm-dd ______________________

ANNEXURE 1F

SITE INSTALLATION SIGN OFF FORM

Annexure 1F:

Site Installation Sign off Form

Project Name:	HCS/VPN Supreme solution
Project / Opp Number:	OP1271100
Customer Name:	National Treasury
Customer Address:	National Treasury,Pretoria,0001
Solution Description:	VPN Supreme solution
Contract :	OP1271100
BAN Number:	311233900001

I ______________________________ hereby accept and confirm the following:
(Customer Representative)

a) The project complies with the requirements stipulated in the associated contract No. OP1271100

b) The functionality of the solution has been tested and found to be acceptable.

Annexure D

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ICT Ref 134
2024/25

FUNDS CERTIFICATE FOR **BUDGET CONFIRMATION**

Certification of the budget available to implement the following:	
Performance Indicator:	Percentage of ICT service Delivery standards met
Annual Target:	90%
Key Activities: Purpose of Memorandum:	Telkom SLA

EXPENDITURE ITEMS REQUIRED:		
ITEM	**ITEM DESCRIPTION**	**ESTIMATED BUDGET REQUIRED**
1	COM:TEL/FAX/TELEGRAP&TELEX	R 3,274,803.26
2		
3		
4		
5		
6		
7		
TOTAL AMOUNT REQUIRED:		**R 3,274,803.26**

BUDGET SEGMENT ALLOCATION:	
SCoA INDICATOR	**DESCRIPTION**
FUND:	Voted Funds
OBJECTIVE:	Corporate Services
RESPONSIBILITY:	CD: ICT
PROJECT:	No Project: Stnd Alone cur
REGIONAL IDENTIFIER:	Exp. Regional Local

COMPILED BY (SURNAME & INITIALS):	Linda Kusel	**22-Apr-24**
LINE FUNCTION BUDGET MANAGER (SURNAME & INITIALS):	Joe Phago	

FINANCIAL MANAGEMENT: ***BUDGET VERIFICATION***

ITEM	**BUDGET**	**EXPENDITURE**	**OUTSTANDING COMMITMENTS**	**CONFIRMED IN LINE WITH BAS**	**AVAILABLE BUDGET**
1	R 2,800,000.00	R 393,410.00	R 3,274,803.26	**YES**	R -868,213.26
2					R -
3					R -
4					R -
5					R -

	SIGNATURE	SURNAME & INITIALS	DATE
VERIFIED BY:	[signature]	**Mofuli N**	**24/04/2024**
CERTIFIED CORRECT:	Kgotsa.	Kgotsa BP	24/04/2024
FMCD TRACKING NO:	**ICT 24042**		