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**UNARMED GUARDING SECURITY SERVICES AGREEMENT**

entered between

**SOUTH AFRICAN REVENUE SERVICE**

**(an organ of state within the public administration but outside the public service established in terms of the South African Revenue Service Act, No. 34 of 1997)**

**(“SARS”)**

And

**(NAME OF SUCCESSFUL BIDDER)**

**Registration Number: XXXXX**

**(“Service Provider”)**

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1. **APPOINTMENT**

* 1. SARS issued a tender, referenced RFP 04/2022B (“the Tender”), for the provision, by the successful bidder(s), of unarmed guarding security services to be performed at the SARS office/buildings/premises [“the SARS Site(s)”] at the selected region(s) (defined in this Agreement as “Services”). The bid submitted by the Service Provider was accepted in this respect following the Tender process.
  2. SARS therefore appoints the Service Provider, on a non-exclusive basis, for the provision of Services for the XXXX region as set out more fully in the Tender Document, annexed hereto and marked as Annexure XX. The Service Provider accepts the appointment to render the Services subject to the terms and conditions of this Agreement.

1. **INTERPRETATION**
   1. The head notes to the Clauses of this Agreement are for reference purposes only and will not govern or affect the interpretation of nor modify nor amplify the terms of this Agreement;
   2. Unless inconsistent with the context, the words and expressions have the following meanings and similar expressions will have corresponding meanings:
      1. **“Actual Inflation Rate”** means CPI (or its equivalent successor in title) as published by Statistics South Africa. Should Statistics South Africa cease publishing the CPI or substantially change the content or format thereof, SARS will by notice to Service Provider substitute another appropriate measure for determining the inflation rate.
      2. **“the/this Agreement”** means the Agreement set out in this document, including –
         1. Schedule of rates and fees for the Services, attached to the Agreement and marked as “Annexure A”
         2. Tender Documents, which include the Main Request for Proposal and Services Specification Documents, attached to the Agreement and marked as “Annexure B”;
         3. Service Provider’s proposal submitted in response to the Tender, attached to the Agreement and marked as “Annexure C”; and
         4. Schedule of penalties for service level failures and/or misconducts, attached to the Agreement and Marked as “Annexure D”.
      3. **“Authorised representative”** means a signatory or signatories authorised by SARS and the Service Provider respectively to sign the Agreement on their behalf.
      4. **“Business Day”** means any day other than a Saturday, Sunday or public holiday in South Africa.
      5. **“Commencement Date”** means XXXX notwithstanding the signature date hereof.
      6. **“Confidential Information”** means any proprietary and confidential information or data of any nature, tangible or intangible, oral or in writing and in any format or medium, which (i) is received by the Receiving Party from the Disclosing Party; (ii) is received by the Receiving Party from a Third Party acting on behalf of the Disclosing Party; or (iii) comes to the knowledge of the Receiving Party by any other means. Confidential Information includes such information whether marked as ‘Confidential’ or with a similar legend or not.
         1. Without limitation, the Confidential Information of SARS will include the following-

(ii) this Agreement;

(ii) any other non-public information, regardless of whether such information is marked ‘Confidential’ or with another similar designation, including: SARS Data; SARS’s financial information, information regarding taxpayers; information regarding employees, independent contractors and suppliers of SARS and governmental entities; processes and plans of SARS and governmental entities; projections, manuals, forecasts, and analysis of SARS and governmental entities; SARS’s intellectual property or intellectual property licensed to SARS or a governmental entity, and any other information of SARS and governmental entities which would be deemed by a reasonable person to be confidential or proprietary in nature.

* + - 1. ‘Confidential Information’ will not include information that: (i) is in or enters the public domain without breach of this Agreement; (ii) the Receiving Party receives from a Third Party without restriction on disclosure and without breach of a non-disclosure obligation; or (iii) the Receiving Party knew prior to receiving such information from the Disclosing Party or develops independently without reference to the Disclosing Party’s Confidential Information (as established by documentary evidence). The onus will at times rest on the Receiving Party to establish that such information falls within any such exclusion. Confidential Information will not be deemed to be within one of the foregoing exclusions merely because such information is embraced by more general information that is in the public domain or was already in the Disclosing Party’s possession;
      2. The determination of whether information is Confidential Information will not be affected by whether or not such information is subject to, or protected by, common law or statute related to copyright, patent, trademarks or otherwise.
    1. **“Disclosing Party”** means the Party who furnishes or otherwise makes available such Party’s Confidential Information to the other Party (including such other Party’s personnel or Third Party suppliers, as applicable) or on whose behalf such Party’s Confidential Information is furnished or otherwise made available to the other Party (including such other Party’s personnel or Third Party suppliers, as applicable).
    2. **“Losses”** means all losses, liabilities, costs, expenses, fines, penalties, damages and claims, and all related costs and expenses as determined in law.
    3. **“Parties”** means SARS and the Service Provider and “Party” as the context requires is a reference to either one of them.
    4. **“Receiving Party”** means the Party, other than the Disclosing Party, that receives disclosure of any Confidential Information.
    5. **“SARS”** means the South African Revenue Service, an organ of state established in terms of the South African Revenue Service Act No. 34 of 1997.
    6. **“SARS Data”** means all information, whether or not Confidential Information, disclosed to the Service Provider by or on behalf of SARS, and includes information derived from such information.
    7. **“SARS Representative”** will be such person as may be nominated by SARS from time to time.
    8. **“Service Provider”** means XXXX registered in accordance with the Laws of South Africa under corporate registration number XXXX.
    9. **“Services”** means the provision of unarmed guarding security services to be performed at the SARS Sites in the selected region(s) as more fully set out in Annexures A, B, C and D hereof and any other annexes, appendices and schedules as may be agreed between the Parties from time to time.
    10. **“Signature Date”** means the date of signature of this Agreement by the Party last signing.
    11. **“Tender”** means a tender, referenced RFP 04/2022B, issued by SARS in solicitation of the Services.
    12. **“Termination Date”** means XXXX unless termination is effected earlier by either Party per the terms of this Agreement, XXXX.
    13. **“Third Party”** means a person other than SARS or the Service Provider.
    14. **“VAT”** means Value-Added Tax levied in terms of the Value-Added Tax Act, 1991 (Act No. 89 of 1991).
  1. Any reference in this Agreement to -
     1. a **“Clause”** will, subject to any contrary indication, be construed as a reference to a Clause hereof;
     2. **“Law”** will be construed as any Law (including common or customary law), or statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, local government, statutory or regulatory body or court;
     3. a **“Person”** is a reference to any person, company, close corporation, trust, partnership or other entity, whether or not having separate legal personality;
     4. **“Service Provider’s Proposal”** is, subject to any contrary indication, a reference to the Service Provider’s proposal, submitted in response to SARS’s Request for Tender number RFP 04/2022B, including the completed Equipment and Pricing Schedules; and
     5. **“Tender Documents”** is,subject to any contrary indication, a reference to SARS’s invitation to prospective service providers to tender for the Services in RFP 04/2022B, which documents will include all Standard Bidding Documents, tender specifications and conditions.

* 1. Unless inconsistent with the context or save where the contrary is expressly indicated:
     1. if any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it appears only in the definition Clause, effect will be given to it as if it was a substantive provision of this Agreement;
     2. when any number of days is prescribed in this Agreement, same will be reckoned exclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a Business Day, in which case the last day will be the next succeeding Business Day;
     3. in the event that the day for payment of any amount due in terms of this Agreement should fall on a day which is not a Business Day, the relevant day for payment will be the subsequent Business Day;
     4. in the event that the day for performance of any obligation to be performed in terms of this Agreement should fall on a day which is not a Business Day, the relevant day for performance will be the subsequent Business Day;
     5. any reference in this Agreement to an enactment is to that enactment as at the Signature Date and as amended or re-enacted from time to time;
     6. no provision of this Agreement constitutes a stipulation for the benefit of any person who is not a party to this Agreement; and
     7. a reference to a Party includes that Party’s successors-in-title and permitted assigns.
  2. Unless inconsistent with the context, an expression which denotes -
     1. any one gender includes the other genders; and
     2. the singular includes the plural and *vice versa*.
  3. The Tender Documents and Service Provider’s Proposal form an integral part hereof and words and expressions defined in this Cleaning Services Agreement will bear, unless the context otherwise requires, the same meaning in the Tender Documents and Service Provider’s Proposal. To the extent that there is any conflict between the Tender Documents, Service Provider’s Proposal and the provisions of this Cleaning Services Agreement, the provisions of this Cleaning Services Agreement will prevail.
  4. Where any term is defined within the context of any particular Clause in this Agreement, the term so defined, unless it is clear from the Clause in question that the term so defined has limited application to the relevant Clause, will bear the same meaning as ascribed to it for all purposes in terms of this Agreement, notwithstanding that the term has not been defined in that Clause.
  5. The termination of this Agreement will not affect any of the provisions of this Agreement which operates after any such 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.
  6. This Agreement is binding on the executors, administrators, trustees, permitted assigns or liquidators of the Parties as fully and effectually as if they had signed this Agreement in the first instance and reference to any Party is deemed to include such Party’s estate, heirs, executors, administrators, trustees, permitted assigns or liquidators, as the case may be.
  7. Where figures are referred to in numerals and in words, if there is any conflict between the two, the words will prevail.
  8. The words "include" and "including" mean "include without limitation" and "including without limitation". The use of the words "include" and "including" followed by a specific example or examples will not be construed as limiting the meaning of the general wording preceding it.
  9. For all purposes under this Agreement, a reference to “written” or “in writing” will exclude any data message and “signed” or “signature” will not include an electronic or advanced electronic signature. The terms “data message,” “electronic signature” and “advanced electronic signature” will have the meanings assigned to it in terms of the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002), as amended.

1. **DURATION**
   1. This Agreement commences on the Commencement Date, notwithstanding the date of signature hereof and will continue in full force and effect for a period of thirty-six (36) months until the Termination Date, unless terminated earlier in terms of this Agreement.
2. **RELATIONSHIP BETWEEN THE PARTIES**

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

1. **SERVICE PROVIDER’S OBLIGATIONS**
   1. The Service Provider will in pursuance of its appointment in terms hereof -
      1. perform the Services as per SARS’ requirements as detailed in this Agreement read with the annexes thereto;
      2. exercise the utmost good faith towards SARS both in carrying out its duties hereunder and also in all its dealings with SARS;
      3. report to such SARS Representative(s) as may from time to time be reasonably necessary or desirable in connection with the Services; and
      4. exercise all reasonable skill, care and diligence in the discharge of its obligations in terms of this Agreement.
   2. During the currency of this Agreement, the Service Provider will ensure that the minimum number of security officers/guard/personnel, as provided for in the Service Provider’s Proposal, will be at the Site to render the Services in terms of this Agreement; and that its personnel devote such time, attention and skill in performing the Services as may be reasonably required for the proper discharge of its duties under this Agreement.
   3. Should any dispute arise between the Service Provider and its personnel, the Service Provider undertakes that any such dispute will not in any manner affect the provisions of the Services to SARS in terms of this Agreement.
   4. The Service Provider will comply with and will ensure that its personnel comply with all security measures imposed by SARS regarding security and access to the SARS premises.
   5. The Service Provider will have sufficient contingency measures in place to ensure that all Services are rendered timeously and in terms of the provisions of this Agreement. In this regard the Service Provider undertakes to have sufficiently trained staff available to perform the Services and undertakes to ensure that SARS is not adversely affected by any labour related issues of whatsoever nature which may arise between the Service Provider and its personnel, including any strike action or “go slow”, whether protected or unprotected.
   6. The Service Provider will at all times be responsible to SARS for fulfilment of its obligations under this Agreement and will not be allowed to sub-contract any of its obligations to any other service provider without SARS’ approval. Where approved, the sub-contracting shall adhere to the provisions of Preferential Procurement Regulations, 2017 (issued in terms of section 5 of the Preferential Procurement Policy Framework Act No. 5 of 2000) and shall be subjected to such conditions as SARS may impose, which conditions shall be confirmed per an addendum to this Agreement.
   7. The Service Provider undertakes to ensure that it at all times adheres to and complies with all Laws, including without limitation, any employment and or labour related legislation, and/ or bargaining council agreements to which it is a party, or is required to be a party to, as well as sectoral determinations applicable to its industry. The Service Provider will within fourteen (14) days of the Signature Date furnish SARS with proof of compliance with any bargaining council agreements to which it is a party, or is required to be party to; proof that its employees are registered for UIF and PAYE; as well as proof that all levies and contributions imposed in terms of the Skills Development Act, 1999 (Act No. 9 of 1999) and the Compensation for Occupational Injuries and Disease Act, 1993 (Act No. 130 of 1993) have been paid in terms of the provisions of the aforesaid acts.
   8. It is further recorded in relation clause 5.7 hereof that: the Service Provider shall comply with all labour laws and pertinent codes of practice applicable to the employment contractual relationship between the Service Provider and its security officers/personnel operating at a SARS site: This shall include, but is not limited to, payment of remuneration (including bonus, shifts allowance, overtime) timeously and at the minimum wage rates; provision for leave (sick, annual, paternity, maternity etc.); registration thereof under provident/pension fund and payment of employer’s contributions thereunder, as stipulated in the Sectorial Determination 6: Private Security Sector, South Africa published under Government Gazette No. 35633 of 28 August 2012, as amended (“Sectorial Determination”). Failure by the Service Provider to comply with this clause 5.8 shall constitute a material breach of the Agreement.
   9. The Service Provider will at all times adhere to, and conduct itself in an ethical manner, which will not be in conflict with those values that constitute good corporate governance in general, or specifically communicated by SARS to the Service Provider from time to time.
   10. The Service Provider undertakes to provide the Services in accordance with best practices, in conformance with existing industry codes and to the highest standards as established for the Services in South Africa, in order to ensure a safe working environment.
   11. The Service Provider undertakes to keep and maintain proper records of all Services rendered in terms of this Agreement, including duly completed timesheets, which are to be signed off by the relevant supervisor and SARS Representative (facilities coordinator) on site regularly, as well as proof of all work-related material purchased under this Agreement. The aforementioned documents must accompany all invoices submitted to SARS for payment.
   12. The Service Provider undertakes to invoice SARS for the Services rendered in accordance with the invoicing requirements, as more fully described in clause 6.9.
   13. The Service Provider will prior to the 7th (seventh) day of each month, supply the SARS Representative (facilities coordinator) of each Site where the Services have been rendered, with a comprehensive monthly management report, documenting all the Services rendered and work performed and completed at such building during the preceding month.
   14. The Service Provider will upon signature of this Agreement obtain from each of its directors a signed unconditional suretyship undertaking, acceptable to SARS, whereby each director of the Service Provider, for the time being, accepts joint and several personal liability for the performance of all the Service Provider’s obligations arising from this Agreement.
2. **FEES, INVOICING AND PAYMENT**
   1. SARS will, subject to the provisions below, pay the Service Provider’s fees in respect of the Services rendered monthly in arrears. The amount of such fees is set out in clause 6.6 and 6.8 below, read together with Annexure A attached hereto.
   2. Unless otherwise agreed to in writing, all fees shall include the Service Provider’s expenses. Accordingly, SARS will not be obligated to reimburse the Service Provider for any expenses whatsoever incurred in the rendering of the Services.
   3. All fees and expenses will be stated, invoiced and paid in South African Rand and will be inclusive of VAT.
   4. Regard being had to the close-out procedures as set-out under clause 17, payment of undisputed amounts will be effected by SARS within thirty (30) days from the date of receipt of a valid tax invoice, provided that SARS is satisfied that the Services for which payment is claimed have indeed been rendered and that such invoice is accurate, complete and meets SARS’s invoicing requirements as more fully set out hereunder, which requirements may be subject to amendment by SARS from time to time.
   5. If SARS disputes any invoiced amount (“the affected invoice”), then SARS will, within ten (10) Business Days of receipt thereof, notify the Service Provider in writing, specifying the affected invoice, the particular disputed amount, and its reasons for such dispute. Such amounts will not be regarded as ‘payable’, provided such dispute is *bona fide*. If the Parties are unable to resolve such dispute, it will be referred for determination in accordance with the provisions of clause 20.
   6. The following all inclusive fees will apply during the first contract year commencing XXXX:

XXXX

The aforementioned fees are inclusive of VAT, but exclusive of statutory increases applied during the contract period. The abovementioned fees are also exclusive of future statutory increases decided per any applicable sectoral determination in terms of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997) (“the BCEA”).

* 1. The fees as provided for under clause 6.6 above will be subject to an escalation of the lesser of XXX (XXX per cent) or the actual inflation rate (CPI), as applicable and with effect from the first anniversary of the Commencement Date. Such adjustment in fees does not include statutory increases to be applied during the contract period.
  2. The adjustment in fees in clause 6.7 above will not apply to the rate payable to security officers/personnel which is subject to a sectoral determination in terms of the BCEA.
  3. Invoicing Requirements:
     1. The Service Provider will furnish the relevant SARS Representative (facilities coordinator) of each Site in every region with a monthly invoice. Such invoice will be provided within seven (7) days of the end of the month to which it relates and will be accompanied by supporting documentation, including without limitation, duly completed time sheets signed-off by a supervisor and the SARS Representative (facilities coordinator), proof of purchase for applicable working material in support of the payments claimed and written confirmation and proof that all wages, bonuses, provident fund and UIF contributions and the like which may (in compliance with the sectoral determination or otherwise) have become due to any of the Service Provider personnel involved in rendering the Services, have been paid in full and on time.
     2. The Service Provider will raise a separate invoice for each purchase order number and will not issue an invoice for more than one purchase order numbers.
     3. The Service Provider will include on or with each invoice provided to SARS under this Agreement, the relevant SARS purchase order number and any details as may be necessary for SARS to verify the accuracy of the invoice and the Service Provider’s compliance with this Agreement. All invoices issued by the Service Provider must be valid VAT invoices for the purposes of the Value-Added Tax Act, 1991 (Act No. 89 of 1991).
     4. The amounts stated on any purchase order will not be treated as a minimum spend commitment on the part of SARS.

1. **WARRANTIES**

* 1. The Service Provider hereby represents and warrants to SARS that -
     1. this Agreement has been duly authorised and executed by it and constitutes a legal, valid and binding set of obligations on it;
     2. it is acting as a principal and not as an agent of an undisclosed principal;
     3. the execution and performance of the terms and conditions of this Agreement do not constitute a violation of any statute, judgment, order, decree or regulation or rule of any court, competent authority or arbitrator or competent jurisdiction applicable or relating to it, its assets or its business, or its memorandum, articles of association or any other documents or any binding obligation, contract or agreement to which it is a party or by which it or its assets are bound;
     4. it is, at the Commencement Date of this Agreement, in compliance with, and throughout the term it will remain in compliance with, all applicable laws relating to taxation in South Africa. The Service Provider further warrants to SARS that it will deliver to SARS upon the Signature Date, and on each anniversary thereof during the term of the Agreement, a valid tax clearance certificate/a pin for verification of tax status from the South African Revenue Service issued for the then-current year. Failure to provide such a certificate/tax compliance status verification pin will entitle SARS to withhold payment or alternatively to terminate the Agreement with immediate effect and without incurring any liability in connection with such termination;
     5. it will annually, within thirty (30) days of the anniversary of the Commencement Date, provide SARS with a then current certificate confirming its BBBEE rating. The annual rating must be done by a reputable accredited rating agency. The Service Provider further undertakes to maintain and/or improve its BBBEE rating during the contract period. Failure to provide such a certificate will entitle SARS to withhold payment or alternatively terminate the Agreement with immediate effect and without incurring any liability in connection with such termination;
     6. it will for the duration of this Agreement and a period of five (5) years after the termination of the Agreement, maintain a complete audit trail of all transactions under this Agreement, sufficient to permit a complete audit thereof. The Service Provider will provide SARS and SARS’s auditors access at reasonable times to information, records and documentation relating to the Services for the purpose of performing audits, examinations and inspections of the Service Provider, in order to verify the Service Provider’s compliance with all of the terms of this Agreement and to enable SARS to comply with the requirements of its regulators and governmental entities having jurisdiction;
     7. it will treat as strictly confidential all information, including Confidential Information, received or obtained as a result of entering into, or performing in terms of, this Agreement; and
     8. throughout the duration of this Agreement it will have the resources, skills, qualifications and experience necessary to provide the Services.

* 1. It is expressly agreed between the Parties that each warranty and representation given by the Service Provider in this Agreement is material, goes to the root of this Agreement and have induced SARS to conclude this Agreement.
  2. The provisions of this clause 7 will survive the termination of this Agreement.

1. **HEALTH, SAFETY AND SECURITY PROCEDURES AND GUIDELINES**
   1. The Service Provider will ensure that its personnel will at all times, whilst on SARS Sites, adhere to the standard health, safety and security procedures and guidelines applicable to SARS's personnel, as such procedures and guidelines may be changed by SARS from time to time and are available to the Service Provider on request. Should SARS at any time have reason to believe that any member of the Service Provider's personnel is failing to comply with such standard health, safety and security procedures and guidelines, SARS will be entitled to deny such member of the Service Provider's personnel access to any or all of SARS Sites and require the Service Provider to replace such member of its personnel without delay. The Service Provider will not be relieved of its obligations under this Agreement as a result of such denial of access, and SARS will have no liability to the Service Provider with regard thereto. The Service Provider indemnifies SARS against any claims that may be brought any of the Service Provider’s personnel who may be affected as a result of SARS exercising its rights under this clause 8.1.
   2. The Service Provider hereby agrees and undertakes, in terms of the provisions of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), to ensure that the Service Provider and the Service Provider's personnel comply with the aforesaid Act and accept sole responsibility for all health and safety matters relating to the provision of the Services, or in connection with or arising out of such Services, for the duration of this Agreement, including with regard to the Service Provider personnel and ensuring that neither SARS’s personnel nor any Third Party's health and safety is endangered in any way by the Service Provider's activities or conduct in providing the Services.
   3. The Service Provider hereby agrees and undertakes to maintain their equipment/material in good order, so as to comply with SARS’s occupational health and safety policies, procedures and standards, as amended from time to time.
2. **CONFIDENTIALITY**
   1. The Service Provider will execute SARS’s standard Oath of Secrecy (as amended from time to time), and undertakes to ensure that all of its personnel involved in performing the Services in terms of this Agreement, or who may have access to SARS’s Confidential Information, sign and are bound by SARS’s standard Oath of Secrecy (as amended from time to time), prior to such personnel entering or gaining access to any of SARS’s premises.
   2. The Service Provider undertakes not to commit any act which in any manner prejudices SARS’s Confidential Information, including any Third Party information which is in the custody of SARS. The Service Provider further undertakes to implement measures to ensure that its personnel who have not signed SARS’s Oath of Secrecy will not have access to SARS’s Confidential Information or to any of SARS’s premises.
   3. The Service Provider may with SARS’s prior written consent and subject to the provisions of this clause 10 disclose only such information as may be legally required by a regulatory or other competent authority.
3. **INSURANCE**

The Service Provider shall –

* 1. on or before the Commencement Date and for the duration of this Agreement have and maintain in force –
     1. insurance coverage for public liability insurance to the value of three million rand (R3 million) to cover any claims, losses and / or damages for which it is liable in terms of this Agreement; and
     2. professional indemnity insurance cover to a minimum of five hundred thousand rand (R500 000.00) per security incident against all actions, suits, claims or other expenses arising in connection with damages or loss suffered by SARS as a result of breach of the terms and conditions of the Agreement in providing the Services.
  2. deliver to SARS upon the Signature Date of this Agreement, and on each anniversary thereof during the duration of the Agreement, proof of such insurance coverage as aforementioned;
  3. report all incidents affecting, or which may affect, any of the terms and conditions of any insurance policy, including any of SARS’s insurance policies becoming void or voidable, or whereby the insurance premiums for such insurance may be increased, immediately upon becoming aware of their occurrence.

1. **SERVICE PROVIDER INDEMNITIES**
   1. The Service Provider hereby indemnifies and holds SARS harmless against all Losses of whatsoever nature arising out of the Service Provider’s breach of the terms of this Agreement and/or any of the contraventions provided for in terms of the provisions of this Agreement and/or any of the contraventions provided for in terms of section 198(4) of the Labour Relations Act No. 66 of 1995 (“the LRA”) and/or section 82(3) of the BCEA, subject to clause 12 hereunder, and sectorial determinations issued thereunder.
   2. It is the Parties’ understanding that section 197 of the LRA will not apply to the Service Provider’s personnel upon termination of this Agreement. However, in the event that SARS suffers any Losses in relation to and/or arising out of the operation of section 197 as aforementioned, the Service Provider hereby indemnifies and holds SARS harmless in respect of and/or against all such Losses.
2. **LIMITATION OF LIABILITY**
   1. The Service Provider agrees that, in the event of a breach of any of the provisions of this Agreement by the Service Provider, the Service Provider will be liable to SARS for all losses which constitute direct and/or general damages.
   2. Subject to clause 12.1, the Parties agree that, in the event of a breach of any of the provisions of this Agreement, the defaulting Party will not be liable to the other Party for any Losses which constitute indirect, special and/or consequential damages.
   3. Notwithstanding anything to the contrary set forth in clause 12.2 above or this Agreement in general, the Parties agree that they will be liable to each other for:
      1. All losses which arise out of the Service Provider’s breach of clause 5.7, 5.8 or any Confidential Information provisions contained in this Agreement;
      2. All Losses which arise out of a Party’s wilful misconduct, dishonesty or gross negligence regardless of whether such Losses arise out of contract or delict; and/or
      3. Any third party claims arising from or related to the damage of property, death or bodily injury of any agent, employee, customer, business invitee, or other person caused by the delictual conduct of such Party.
3. **SECURITY VETTING OF SERVICE PROVIDER PERSONNEL**
   1. SARS reserves the right in its sole and absolute discretion to do a security check (vetting) on the Service Provider’s personnel involved with, or to be involved with, the performance of the Services.
   2. The Service Provider shall obtain from its personnel such documentation as may be reasonably requested by SARS, to enable SARS to conduct such security checks as aforementioned.
   3. Where SARS establishes that any of the Service Provider personnel is a security risk, SARS will inform the Service Provider accordingly and the Service Provider will immediately replace such person with a suitably qualified and acceptable substitute.
   4. The Service Provider indemnifies SARS against any claims that may be brought by any of the Service Provider’s personnel who may be affected as a result of SARS exercising its rights under this clause 13.
4. **ETHICAL BUSINESS PRACTICES**
   1. SARS has a policy of zero tolerance regarding corrupt activities. The Service Provider will promptly report to SARS and the relevant authorities any suspicion of corruption on the part of their personnel, as well as any behaviour by any of those persons that is likely to constitute a contravention of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).
   2. Neither Party will offer, promise or make any gift, payment, loan, reward, inducement benefit or other advantage to any of the other Party's personnel.
   3. If the results of any audit of the Services conducted by or on behalf of SARS indicates the possibility of corrupt activities, improper or fraudulent practices or theft, SARS will, after allowing the Service Provider reasonable opportunity to investigate that possibility, have the right either by itself, or by its agents, or by requesting the police, to investigate all the relevant circumstances, to question any relevant personnel of the Service Provider or a Third Party and the Service Provider will use all reasonable efforts to facilitate any such investigation or enquiry. In the event that an act of corruption, fraud or theft is proven, SARS will be entitled, on written notice to the Service Provider, to immediately terminate this Agreement and either assume the provision of the Services itself, or appoint a Third Party to render the Services, as more fully set out in clause 19 below. The Service Provider acknowledges that it is crucial that SARS will be entitled, without penalty, to ensure continued provision of the Services if for whatever reason this Agreement is terminated pursuant to the breach thereof by the Service Provider or its personnel, as the case may be.
5. **BREACH**
   1. Should a Party (“the defaulting party”) commit a breach of any of the provisions of this Agreement, then the other Party (“the aggrieved party”) will be entitled to require the defaulting party to remedy the breach within ten (10) Business Days, or such other reasonable time as agreed to in writing by the aggrieved party, of delivery of a written notice requiring it to do so. If the defaulting party fails to remedy the breach within the period specified in such notice, the aggrieved party will be entitled to claim immediate payment and/or performance by the defaulting party of all of the defaulting party’s obligations due in terms of this Agreement, in either event, without prejudice to the aggrieved party’s right to claim damages. The aforegoing is without prejudice to such other rights as the aggrieved party may have at Law: Provided always that the aggrieved party will not be entitled to cancel this Agreement for any breach by the defaulting party, unless such breach is a material breach going to the root of this Agreement and is incapable of being remedied by a payment of money or, if it is capable of being remedied by a payment of money, the defaulting party fails to pay the amount concerned within ten (10) Business Days after such amount has been determined.
   2. It is specifically recorded that a material breach affecting any cluster/region/building where the Service Provider is rendering Services to SARS, will be sufficient to constitute a material breach of this entire Agreement. SARS will however, in its sole and absolute discretion, be entitled to cancel either this entire Agreement, or any part of it, as a result of such material breach by the Service Provider, even if such breach concerns a cluster/building/region outside this Agreement.
   3. Notwithstanding the provisions of Clause 15.1 above, SARS may immediately terminate this Agreement at any time by giving written notice of such termination to the Service Provider if:
      1. the Service Provider is, other than for the purposes of amalgamation, placed under voluntary or compulsory liquidation (whether provisional or final) or under judicial management or under curatorship or under the equivalent of any of the aforegoing; including business rescue proceedings as envisaged in terms of the Companies Act, 2008 (Act No. 71 of 2008);
      2. A final and unappealable judgment against the Service Provider remains unsatisfied for a period of 10 (ten) Business Days or more after it comes to the notice of the Service Provider;
      3. The Service Provider makes any arrangement or composition with its creditors generally or ceases to carry on business;
      4. The Service Provider breaches any of the obligations as set out in clause 5.5, 5.7 and 5.8 above; and/or
      5. the Service Provider breaches any of the warranties as set out in clause 7 above.
   4. Any termination of this Agreement pursuant to the provisions of this clause 15 will be without SARS incurring any liability in connection with such termination, or prejudice to any claim which SARS may have in respect of any prior breach of the terms and conditions of this Agreement by the Service Provider.
6. **TERMINATION**
   1. The Agreement will automatically terminate on XXXX.
   2. Notwithstanding anything to the contrary set forth in this Agreement, SARS reserves the right to terminate this Agreement or temporarily defer the provision of the Services, or any part thereof, at any stage with immediate effect on written notice to the Service Provider, should SARS, in its sole and absolute discretion, decide not to proceed with the Services.
   3. In the event that SARS terminates this Agreement in terms of clause 16.2, the Service Provider will be remunerated for Services rendered to date of such termination, provided that the Service Provider furnishes SARS with a valid tax invoice in respect of such Services, such invoice is accurate and meets SARS’s invoicing requirements. Save for the aforementioned, SARS will have no liability to the Service Provider with respect to such termination.
   4. Notwithstanding anything to the contrary set forth in this Agreement, SARS may terminate this Agreement in whole or in part for convenience and without cause at any time by giving the Service Provider at least one (1) calendar month’s prior written notice designating the termination date. SARS will have no liability to the Service Provider with respect to such termination, except the settlement of all due accounts to the Service Provider up to and including the termination date.
7. **PROCEDURE AFTER TERMINATION**

Notwithstanding anything to the contrary contained in this Agreement, the following close-out procedures will apply when the Agreement is terminated for any reason whatsoever:

* 1. The Service Provider must, to SARS’s satisfaction and within thirty (30) days of the Termination Date, furnish SARS with proof of its compliance with all employment related obligations towards all of its personnel who are, or were, involved with the rendering of the Services during the duration of the Agreement, including, without limitation, proof of payment of any and all wages, bonuses, provident fund contributions, binding arbitration awards and the like, which may be or become due to the Service Provider’s personnel, whether such payments are prescribed by law, awarded through arbitration, or by a court or agreed between the Parties or their representatives, or negotiated as part of a collective agreement, sectoral determination or otherwise.
  2. The Service Provider must vacate the SARS Site(s) at close of business on the Termination Date, which process will include the removal of all Service Provider personnel and Service Provider owned equipment and material from such premises, for its own account, unless advised otherwise by SARS. Such process must be conducted under SARS’s supervision.
  3. SARS will retain all payments which may be due to the Service Provider in respect of the last month of Service until such time as the aforementioned requirements have been complied with in full. SARS will not be liable for payment of any interest whatsoever on such retained amount.
  4. The Service Provider indemnifies SARS and holds SARS harmless against any claims that may be brought by any of the Service Provider’s personnel that may be affected as a result of SARS exercising its rights under this clause 17.

1. **FORCE MAJEURE**
   1. In the event of any act beyond the reasonable control of the Parties, including war, warlike operation, rebellion, riot, civil commotion, lockout, fire or (without regard to the foregoing enumeration) any other circumstances arising or action taken beyond the reasonable control of the Parties hereto, preventing them or any of them from the performance of any obligation hereunder (any such event hereinafter called "force majeure"), then the Party affected by such force majeure will be relieved of its obligations hereunder during the period that such force majeure continues.
   2. The Party’s relief is only to the extent so prevented and such Party will not be liable for any delay or failure in the performance of any obligations hereunder or loss or damage which the other Party may suffer due to or resulting from the force majeure, provided always that a written notice will be promptly given of any such inability by the affected Party.
   3. Any Party invoking force majeure will upon termination of such force majeure give prompt written notice thereof to the other Party. Should force majeure continue for a period of more than thirty (30) days, then either Party has the right to cancel this Agreement by giving written notice to such other Party to that effect.
   4. Notwithstanding anything to the contrary contained in this Agreement, the Service Provider will not be entitled to rely on a force majeure defence in the event that such act, circumstance or action could have been prevented by the Service Provider having proper contingency measures in place.
2. **CONTINGENCY RIGHTS**
   1. In addition to any other rights and remedies that it may have in terms of this Agreement or otherwise, including the right to terminate this Agreement, SARS may in its sole discretion elect to (i) call for an urgent senior level meeting with the Service Provider; and/or (ii) launch an audit investigation into the Service Provider’s operations in accordance with the audit provisions detailed in clause 6, 8.1 and/or (iii) procure the Services as contemplated in clause 19.2 below, immediately upon SARS’s identification or the Service Provider's notification of the occurrence of any event which SARS considers, in its sole discretion, to be an event which may affect the continuity of the Services.
   2. For purposes of this clause 19.2 SARS may, at its option, either itself or by the procurement of an alternate Third Party service provider, temporarily procure the provision of the Services until such time, and for such period, as SARS deems appropriate to ensure the continuance of SARS’s operations with due regard to health and safety considerations.
   3. To the extent that SARS exercises its rights to assume the rendering of the Services or part thereof itself, or procures that a Third Party service provider renders some or all of the Services pursuant to the provisions of clause 19.2 above, the Service Provider will not be entitled to any fees during the period for which SARS or the Third Party assumes the Services. Subject to clause 18, SARS will have the right to recover from the Service Provider, for that period, any direct costs and expenses in excess of the costs which SARS would have incurred in terms of clause 6.6 to 6.8, had it not been for such temporary rendering of part or all of the Services by SARS or a Third Party service provider. SARS will not, under any circumstances, be obliged or deemed or required to also take over or assume responsibility for the conduct of the Service Provider's business operations or the employment of any Service Provider personnel, in terms of this clause.
3. **DISPUTE RESOLUTION**
   1. If a dispute between the Parties arises out of or is related to this Agreement, the Parties will meet and negotiate in good faith to attempt to resolve the dispute. If, after twenty (20) Business Days from the date upon which the dispute was declared by a Party by written notice, the dispute is not resolved, the matter will be determined in accordance with the provisions set out below.
   2. Save in respect of those provisions of this Agreement which provide for their own remedies which would be incompatible with arbitration, or in the event of either Party instituting urgent action against the other in any court of competent jurisdiction, any dispute arising from or in connection with this Agreement will be finally resolved by arbitration in accordance with the Rules of the Arbitration Foundation of Southern Africa or its successor, by an arbitrator or arbitrators appointed by the Foundation.
   3. Clause 20 will be severable from the rest of the provisions of this Agreement so that it will operate and continue to operate notwithstanding any actual or alleged voidness, voidability, unenforceability, termination, cancellation, expiry, or accepted repudiation, of this Agreement.
   4. Unless specifically otherwise provided for in this Agreement, neither Party will be entitled to withhold performance of any of their obligations in terms of this Agreement pending the settlement of, or decision in, any dispute arising between the Parties and each Party will in such circumstances continue to comply with their obligations in terms of this Agreement.
4. **NON-EXCLUSIVITY**
   1. The Service Provider is appointed to provide the Services to SARS on a non-exclusive basis and SARS will not be precluded from obtaining services that may be similar or identical to the Services from any other service provider.
   2. Nothing contained herein will in any way be construed or constitute a guarantee in favour of the Service Provider that the Service Provider will receive any work or contract from SARS for services in the future, whether under this Agreement or otherwise.
5. **ADDRESSES**
   1. Each Party chooses the addresses set out opposite its name below as its addresses to which all notices and other communications must be delivered for the purposes of this Agreement and its *domicilium citandi et executandi (“domicilium”)* at which all documents in legal proceedings in connection with this Agreement must be served:

SARS: *Domicilium*: Le Hae la SARS

299 Bronkhorst Street

Nieuw Muckleneuk

Pretoria

Marked for the Attention of: XXXX

Telefax No: + 27 12 XXXX

Service Provider: *Domicilium*: XXXX

XXXX

XXXX

XXXX

Telefax No: + 27 XXXX

* 1. Any notice or communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be valid and effective only if in writing and sent to a Party’s chosen address or telefax number, provided that documents in legal proceedings in connection with this Agreement may only be served at a Party’s *domicilium*.
  2. Any Party may by written notice to the other Party, change its chosen addressor telefax number to another address or telefax number, provided that:
     1. the change will become effective on the 10th (tenth) Business Day after the receipt or deemed receipt of the notice by the addressee; and
     2. any change in a Party’s *domicilium* will only be to an address in South Africa, which is not a post office box or a *poste restante.*
  3. Any notice to a Party contained in a correctly addressed envelope; and sent by prepaid registered post to it at its chosen address; or delivered by hand to a responsible person during ordinary business hours at its chosen address:
     1. will be deemed to have been received in the case of prepaid registered post on the 5th (fifth) Business Day after posting (unless the contrary is proved) and, in case of delivery by hand, on the day of such delivery.
  4. Any notice by telefax to a Party at its telefax number will be deemed, unless the contrary is proved, to have been received on the 1st (first) Business Day after the date of transmission.
  5. The Parties record that whilst they may correspond via e-mail during the currency of this Agreement for operational reasons, no formal notice required in terms of this Agreement, nor any amendment or variation to this Agreement, may be given or concluded via e-mail.

1. **SALE OR CHANGE OF CONTROL OF SERVICE PROVIDER**
   1. In the event of a sale or other change of control of the Service Provider, SARS may terminate this Agreement with immediate effect on written notice to the Service Provider, without SARS incurring any liability whatsoever as a result of such termination.
   2. The Service Provider will notify SARS immediately upon becoming aware of any anticipated sale or change of control.
   3. No sale or change of control of the Service Provider will be effective and legally binding on SARS, unless the prior written consent of SARS has been obtained.
2. **PUBLIC DISCLOSURES**
   1. No advertising or publicity matter of either Party having or containing any reference to the other Party, or in which the name of the other Party is mentioned (except announcements intended solely for internal distribution or to meet legal or regulatory requirements beyond the reasonable control of the disclosing Party), will be made by or for a Party without first obtaining written approval from the other Party.
   2. The Parties may not use each other’s logos, or any other service marks or trademarks which are intellectual property of the other Party.
3. **GOVERNING LAW AND JURISDICTION**
   1. The provisions of this Agreement will be governed by and construed in accordance with the Laws of the Republic of South Africa. Furthermore, the Parties hereby irrevocably and unconditionally consent to the non-exclusive jurisdiction of the North Gauteng High Court of South Africa in regard to all matters arising from this Agreement.
4. **COSTS**
   1. Save as may be otherwise provided herein, each Party will bear and pay its own legal costs and expenses of and incidental to the negotiation, drafting, preparation and implementation of this Agreement.
5. **GENERAL**
   1. This Agreement read with Annexures A, B, C and D hereto contains the entire Agreement between the Parties with regard to the subject matter hereof.
   2. No Party will be bound by or have any claim or right of action arising from any express or implied term, undertaking, representation, warranty, promise or the like not included or recorded in this document whether it induced the contract and/or whether it was negligent or not.
   3. No variation, amendment or consensual cancellation of this Agreement or any provision or term hereof 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 will be binding or have any force and effect unless reduced to writing and signed by or on behalf of the Parties. Any such extension, waiver or relaxation or suspension which is so given or made will be construed as relating strictly to the matter in respect whereof it was made or given.
   4. No failure by any Party to enforce any provision of this Agreement will constitute a waiver of such provision or affect in any way such Party’s right to require the performance of such provision at any time in the future, nor will a waiver of a subsequent breach nullify the effectiveness of the provision itself.
   5. Except as provided for under this Agreement, neither Party will cede nor assign any of its rights or obligations under this Agreement without the prior written consent of the other Party.
   6. If any Clause or term of this Agreement becomes invalid, unenforceable, defective or illegal for any reason whatsoever, then the Parties will negotiate in good faith to replace such Clause with a clause which is valid, enforceable and legal but maintaining the essential provisions of that Clause to the extent possible, provided that if the Parties should fail to reach Agreement on such replacement clause, then the remaining terms and provisions of this Agreement will be deemed to be severable there from and will continue in full force and effect unless such invalidity, unenforceability, defect or illegality goes to the root of this Agreement.
   7. The rule of construction that an agreement will be interpreted against the Party responsible for the drafting of the agreement will not apply.

Signed by and on behalf of the Service Provider at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on this the \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_ 2022

AS REPRESENTATIVE: (Full names): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

CAPACITY (Who warrants his authority thereto) : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNATURE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESSES DATE:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed at Pretoria by and on behalf of SARS

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Position:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**2.**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Position:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_