

Agreement for the Supply, Maintenance and Support of the System

entered by and between

MUNSOFT PROPRIETARY LIMITED

(Registration number: 2001/024674/07)

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(hereinafter referred to as “Munsoft”)

(herein represented by N Rerani, duly authorised)

AND

LESEDI LOCAL MUNICIPALITY

(Demarcation code: GT423)

Physical address: Cnr HF Verwoerd & Louw Streets
Heidelberg
Gauteng
1438

Email address: sbusisod@lesedi.gov.za

(hereinafter referred to as the “Client”)

(herein represented by S Dlamini, duly authorised)

(collectively referred to as the “Parties” and “Party” referring to either one of them)

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1. Background

- 1.1 Munsoft provides integrated financial management and internal control Systems for local government.
- 1.2 The Client is a municipality requiring the supply, maintenance and support of an integrated financial management and internal control system.
- 1.3 The Client wishes to appoint or has already appointed Munsoft to provide the System.
- 1.4 This Agreement sets out the terms on which the Parties contract with each other.
- 1.5 The Client enters into this Agreement in accordance with the supply chain legislation governing local government procurement and in terms of its internal procedures.

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2. Definitions

Unless inconsistent with the context, the words and expressions below will have the following meanings and similar expressions will have the same meanings:

- 2.1 "AFSA" means the Arbitration Foundation of Southern Africa;
- 2.2 "Agreement" will mean this Agreement for the supply, maintenance and support of the System, together with any Schedules hereto;
- 2.3 "Annexure A" means the Summary Cost Schedule setting out all the fees payable in terms of Munsoft's appointment at the Client;
- 2.4 "Annexure B" means the License Schedule Summary setting out the details of the licenses for the various Licenced Programs and Sub-Systems;
- 2.5 "Annexure C" means a summary of all the Supporting Services and schedules indicating which Supporting Services the Client elected;
- 2.6 "Annual License Fees" will mean the annual license fees payable for the continued use of the System and Services as indicated on Annexure A;
- 2.7 "Business Day" will mean the hours from 08:00 to 17:00 on any day other than a Saturday, Sunday or public holiday in South Africa;
- 2.8 "Confidential Information" means any technical, regulatory, business, management, commercial and product or service information, which information is marked confidential or is by its nature confidential, including without limitation data processes, specifications, drawings, design, computer software, know-how, contractual arrangements, future plans, reports, business discussions and any material bearing or incorporating such information, disclosed between or on behalf of the Parties either orally or in tangible or visible or machine readable form. Confidential Information will include all consumer data kept by the Client;
- 2.9 "Commencement Date" means 01 July 2022;
- 2.10 "Computer" means an electronic device which can receive information (data) in a particular form and of performing a sequence of operations in accordance with a predetermined but variable set of procedural instructions (program) to produce a result in the form of information or signals
- 2.11 "Domicilium" means a Party's *domicilium citandi et executandi* at which all documents in legal proceedings about this Agreement must be served;
- 2.12 "Enhancement" will mean updates, modifications, refinements and improvements made to a Licensed Program and/or Licensed Material, which Munsoft does not separately market, but will specifically exclude any major reform required as a result of a reform of the MSCOA Regulations;
- 2.13 "Force Majeure Events" mean any earthquake, flood, fire, storm, natural disaster, act of God, war, terrorism, armed conflict, labour strike, lockout, boycott or other similar events beyond the reasonable control of the affected Party;
- 2.14 "ICT" means information communication technology;
- 2.15 "Initial Period" will mean the period from the Commencement Date until 60 calendar months later;

- 2.16 “License Certificate” means the document confirming that the Client has a fully paid up license to the System;
- 2.17 “Licensed Programs” will mean all the software programs employed to deliver the Service, including but not limited to, the Munsoft Financial System and the Sub-Systems. The Licensed Programs will be provided in object code form only;
- 2.18 “Licensed Materials” will mean all manuals and other documentation, owned by or licensed to Munsoft and supplied to the Client together with the Licensed Programs;
- 2.19 “Location” will mean the Municipal Offices of the Client;
- 2.20 “Maintenance and Support Services” will mean the monthly maintenance and support services required for the maintenance and support of the System and Services, as detailed in Schedule A;
- 2.21 “MFMA” means the Municipal Finance Management Act, 56 of 2003;
- 2.22 “Monthly Maintenance and Support Fee” will mean the fee for the Monthly Maintenance and Support Services as indicated on Annexure A;
- 2.23 “Munsoft Academy” means the online e-learning portal developed and maintained by Munsoft;
- 2.24 “Munsoft Essential ICT Services” mean the ICT supporting services Munsoft can deliver, which services are more clearly set out in Schedule I;
- 2.25 “Munsoft Financial System” means the municipal accounting software owned and developed by Munsoft;
- 2.26 “Munsoft Invoice Dispute Form” means the invoice dispute form template used by Munsoft to handle disputed invoices from time to time;
- 2.27 “Munsoft User Group” means a group of representatives consisting of representatives of the different municipalities using the Munsoft Financial System;
- 2.28 “MSCOA Regulations” mean the Municipal Regulations on Standard Chart of Accounts, Government Gazette 37577, 22 April 2014 and includes any formal communications issued by National Treasury relating to the Municipal Regulations on Standard Chart of Accounts;
- 2.29 “Prime Rate” means the prime bank overdraft rate of interest charged from time to time by ABSA bank on unsecured overdrawn current accounts of its most favoured corporate customers;
- 2.30 “Protection of Personal Information Act” means the Protection of Personal Information Act, 4 of 2013;
- 2.31 “Related Parties” mean the subcontractors and agents and their respective directors, officers and employees of either Party;
- 2.32 “Services” will mean the integrated financial management and internal control services delivered by Munsoft to the Client;
- 2.33 “Source Code” means the source code of the Licensed Programs which has been written by the programmers of the Licensed Programs and comprising the listings of the various instructions and statements that the Licensed Programs contain in plain English or any programming language;

- 2.34 “Sub-Systems” mean asset management, payroll and human resources, electronic meter reading system, performance management system, GIS and document management;
- 2.35 “Supporting Services” include the supporting services procured by the Client as indicated in Annexure A. All available supporting services are defined in Annexure C and those selected by the Client are detailed in the schedules attached thereto;
- 2.36 “System” will mean all Licensed Programs and Licensed Materials licensed under this Agreement;
- 2.37 “Use” means to load, execute, store, transmit, display (for the purposes of loading, execution, operation, storage, transmission or display) or otherwise utilise the Licensed Programs for legitimate business purposes, in accordance with this Agreement.

3. Interpretation

Unless inconsistent with the context or where the contrary is expressly indicated:

- 3.1 A “person” will be interpreted as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether having separate legal personality) of two or more of the foregoing.
- 3.2 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it appears only in clause 2 or 3, effect will be given to it as if it were a substantive provision of this Agreement;
- 3.3 When any number of days is prescribed in this Agreement, it 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 Business Day;
- 3.4 If 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 next Business Day;
- 3.5 If 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 next Business Day;
- 3.6 Any reference in this Agreement to an enactment is to that enactment as at the date of signature hereof and as amended or re-enacted from time to time;
- 3.7 Any reference in this Agreement to this Agreement or any other agreement or document will be interpreted as a reference to this Agreement or such other agreement or document as same may have been, or may from time to time be, amended, varied, notated or supplemented;
- 3.8 No provision of this Agreement constitutes a stipulation for the benefit of any person who is not a party to this Agreement;
- 3.9 References to; day/s, month/s or year/s will be interpreted as Gregorian calendar day/s, month/s or year/s; and
- 3.10 A reference to a Party includes that Party’s successors-in-title and permitted assigns.
- 3.11 Any one gender includes the other genders; the singular includes the plural and vice versa.
- 3.12 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

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application to the relevant clause, will have the same meaning as ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in clause 1.

- 3.13 This Agreement will be binding on and enforceable by the estates, heirs, 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 will be deemed to include such Party's estate, heirs, executors, administrators, trustees, permitted assigns or liquidators.

4. Grant of license

- 4.1 The Client is hereby granted a non-exclusive, non-transferable license to Use the System, subject to payment in full of all amounts due in terms of this Agreement.
- 4.2 The Client will receive a single copy of the Licensed Programs for Use on any number of compatible Computers at the Location designated by the Client, provided the number of users does not exceed the number of users defined in Annexure B.
- 4.3 Munsoft will provide a complete set of Licensed Materials to the Client.
- 4.4 Munsoft will make scheduled Enhancements and upgrades to the Licensed Programs during the term of this Agreement. Any major reform of the System required due to a reform of the MSCOA Regulations or an extensive revision of the software platform on which the Munsoft Financial System is coded will not be considered an Enhancement and the cost of such a major reform will be for the Client.
- 4.5 Except as provided otherwise in this Agreement, or agreed in writing between the Parties, the Client will not:
- 4.5.1 make available or distribute all or part of the System to any third party by cession, assignment, delegation, and sub-license or otherwise;
 - 4.5.2 copy, adapt, reverse engineer, decompile, disassemble, modify or make modifications or enhancements in whole or in part to the System;
 - 4.5.3 market, sell, lease, permit third party use of or in any other way allow third parties access to the System;
 - 4.5.4 have access to or be entitled to the Source Code for any reason whatsoever.

5. Provision of the Services

- 5.1 Munsoft will provide the Services to the Client, which, when employed with the System, will deliver the functionality defined in the MSCOA Regulations.
- 5.2 The Sub-Systems integrate fully with the Munsoft Financial System. These Sub-Systems will only form part of the System and Services if specifically included in this Agreement in Annexure A. Should the Client operate a third-party module delivering the same functionality of any of the Sub-Systems and decide to continue its use of the third-party module, Munsoft will be entitled to charge a fee for the integration of the third-party module into the System. This fee will depend on the extent of the integration process and will be negotiated between the Parties.
- 5.3 Should the Client require any training or consulting services on any of the Sub-Systems, such training and consulting may be provided by independent consultants appointed by the

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proprietors these Sub-Systems (where applicable) and such training and consulting will be for the account of the Client.

- 5.4 Where independent consultants are appointed to provide training and consulting services on any Sub-Systems, Munsoft will not be responsible or liable for the services provided by these independent consultants.

6. Third party service providers

- 6.1 If the Client has negotiated or is in the process of negotiating with other service providers for the provision of certain services that fall within the scope of the System and Services as defined herein, these service providers will have independent agreements with the Client and Munsoft will not be responsible or liable to the Client for any services delivered by these independent service providers.
- 6.2 The provisions in 6.1 will apply even if the services of the service providers are included on Annexure A and/or Annexure B at the Client's insistence, and/or if Munsoft performs certain administrative functions on behalf of these service providers.

7. Specific exclusions

- 7.1 Munsoft is responsible to ensure the proper installation and functioning of the System, to enable the Client to transact in terms of the MSCOA Regulations. Munsoft is not responsible to perform these transactions on behalf of the Client. Any support provided by Munsoft to assist the Client with transacting on the System, will attract an additional fee and should be procured in terms of the change order procedure prescribed in this Agreement.
- 7.2 Munsoft will be relieved of the obligation to perform Services and/or Maintenance and Support Services and will in addition not be liable for any loss, liability, damages or expenses of whatsoever nature and howsoever arising where Munsoft's failure, delay or inability to perform any of the Services and/or Maintenance and Support Services are due to:
- 7.2.1 The Client's failure to perform or delay in performing its obligations in terms of this Agreement;
 - 7.2.2 All ICT infrastructure and/or communication line faults that is not within the direct control of Munsoft;
 - 7.2.3 Power failures or power interruptions at the Location and/or of the System;
 - 7.2.4 Failure or delay by the Client to report faults/problems to Munsoft, including, but not limited to, failure to report missing functionality;
 - 7.2.5 The Client or any person under its direct control making unauthorised changes to the System, Services and/or Supporting Services or any part thereof;
 - 7.2.6 The failure of any hardware, software, application/s or any other computer system (or any component thereof) of any third party on whom the Client relies (whether directly or indirectly) to use the System and/or on which Munsoft relies to provide the Services and/or the Maintenance and Support Services;
 - 7.2.7 The Use by Client of the System, Services and/or Supporting Services other than in accordance with the terms set out in this Agreement, Licensed Materials and/or reasonable instructions from Munsoft;

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- 7.2.8 Understaffing by the Client, specifically in key positions relating to the System and/or Services;
- 7.2.9 The exclusion by the Client of any Services proposed by Munsoft in Annexure A, which Services forms part of the System.

8. Fees and Payment terms

- 8.1 Subject to the Commencement Date having been reached and notwithstanding the fact that the System is not fully implemented (which implementation is governed by the Implementation Agreement between the Parties), Munsoft will be entitled to invoice the Client for Monthly Maintenance and Support Fees and Annual License Fees when the Cashier, Expenditure as well as the SCM modules of the System are live.
- 8.2 Monthly Maintenance and Support Fees will become due and payable even if Munsoft suspends Maintenance and Support Services to the Client in terms of clause 25 (Suspension of Maintenance and Support Services) of this Agreement.
- 8.3 Annual License Fees are payable annually on the presentation of an invoice. Munsoft will issue a License Certificate to the Client once its Annual License Fees are paid.
- 8.4 All invoices are payable 30 days from date of invoice.
- 8.5 The Client may not withhold payment on any invoice due to System related issues. All invoices must be paid as it falls due and all System related issues must be dealt with in accordance with the provisions of Schedule A.
- 8.6 Munsoft reserves the right to charge interest on all invoices that remain unpaid for more than 60 days, at the Prime Rate plus 2%.
- 8.7 Notwithstanding anything to the contrary contained herein, Munsoft may allocate any payment received from the Client firstly to its oldest debt due to Munsoft and thereafter, if any portion of such payment is left, to the balance of the debt owed by the Client.

9. Disputed invoices

- 9.1 Should the Client dispute the correctness or validity of any invoice, the Client must complete the Munsoft Invoice Dispute Form and forward the completed form together with a copy of the disputed invoice on which the disputed items are clearly marked to Munsoft within 7 days from the date of the disputed invoice.
- 9.2 Should a Munsoft Invoice Dispute Form not be received from the Client within 10 days from the date of invoice, the invoice will be deemed as correct and where relevant, interest will be charged on all overdue accounts.
- 9.3 Munsoft will investigate the dispute raised by the Client and provide the Client with its findings within 3 days of the receipt of the Munsoft Invoice Dispute Form.
- 9.4 A separate Munsoft Invoice Dispute Form must be completed for each disputed invoice.

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10. Escalation of fees

- 10.1 Munsoft will be entitled to increase the Annual License Fees for each Licensed Program as well as the Monthly Maintenance and Support Fee on the anniversary date thereof on 60 days' written notice to the Client.
- 10.2 Munsoft will be entitled to increase the fees charged for additional Supporting Services on the anniversary thereof and on 60 days' written notice to the Client. Such increase will not exceed 10%, except if Munsoft provides satisfactory motivation to the Client that justifies a higher increase.

11. Maintenance and Support Services

- 11.1 Munsoft will perform Maintenance and Support Services, subject to the payment of the Monthly Maintenance and Support Fee.
- 11.2 Munsoft will not be obliged to provide Maintenance and Support Services to the Client if the Client is not using the correct version of the System. However, Munsoft may, in its sole discretion, agree to support any such preceding version of the System for a period to be agreed upon between Munsoft and the Client in writing.

12. Bribery and Corruption

The Parties warrant that, regarding this Agreement, it and its Affiliates, as well as Related Parties:

- 12.1 will comply with all applicable anti-bribery and corruption laws and regulations; and
- 12.2 will not, directly or indirectly, offer, give or agree to give any person, or solicit, accept or agree to accept from any person gratification (including, without limitation, loans, gifts, donations, status, privilege or anything else of value) in order to act in a dishonest, biased or any other improper manner in carrying out any powers, duties or functions that amounts to the abuse of a position of authority or any other unauthorised or improper inducement of a person to do or not to do anything.

13. General warranties

- 13.1 Munsoft warrants that it is entitled to grant to the Client a license to Use the System as provided for in this Agreement.
- 13.2 Munsoft warrants that it has obtained the necessary authorisation from the proprietary owners of all such copyright and intellectual property rights subsisting in the System, to distribute and license the System and indemnifies the Client against any liability in respect of claims from the third parties for infringement thereof.
- 13.3 Munsoft warrants that the System, when used according to the operating instructions, will perform in accordance with its specifications and in the manner intended.
- 13.4 The warranties set out in this clause are used in the place of all other warranties, representations or conditions, express or implied, statutory or otherwise, including any implied warranties of satisfactory quality and fitness for a purpose.

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14. Client obligations

The Client must –

- 14.1 provide suitable access to Munsoft or its suppliers at the Locations to maintain the System and to deliver the Services and/or Supporting Services;
- 14.2 provide access to the Client's system and ICT network to enable Munsoft to provide the Services and/or Supporting Services and to maintain the System;
- 14.3 provide Munsoft with accurate information that may affect the maintenance of the System and/or the delivery of the Services and/or Supporting Services, such as Client policies and ICT network architecture;
- 14.4 deliver all assistance requested by Munsoft that may be necessary to enable Munsoft to resolve any issues or problems that the Client may experience with the System;
- 14.5 assume full responsibility for the overall suitability of the Locations in which the service equipment is to function and the Services and/or Supporting Services are to be rendered;
- 14.6 ensure that internet access to the System as required to enable remote Maintenance and Support Services, is always available and functional;
- 14.7 ensure the physical security of all Munsoft hardware installed at the Client's premises and be obligated to replace any hardware that may be damaged or stolen on Client premises;
- 14.8 prevent any unauthorised access to the System and any Supporting Services utilised by the Client;
- 14.9 log all support calls on Munsoft's help desk in terms of the agreed process;
- 14.10 provide adequate downtime for scheduled Maintenance and Support Services;
- 14.11 ensure that its relevant personnel have sufficient training to attain and maintain competence in the operation of the System, before allowing them Use of the System;
- 14.12 inform Munsoft of any perceived lack of functionality as may be required by the MSCOA Regulations and allow Munsoft to indicate where such functionality may be found and/or develop such functionality within a reasonable period.

15. Munsoft's obligations

Munsoft undertakes to:

- 15.1 maintain properly trained staff, agents and/or consultants to provide and deliver the Services, Maintenance and Support Services as well as the Supporting Services;
- 15.2 ensure that the Licensed Programs remain compatible with the operating system used by the Client;
- 15.3 attend to the routine maintenance of the Licenced Programs;
- 15.4 install any Enhancements;
- 15.5 attend to the correction of critical errors in the Licensed Programs;
- 15.6 do all things necessary to ensure that the Licenced Programs function in accordance with their specifications;

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- 15.7 transfer skills and provide the relevant training to the designated employees of the Client to enable the Client to handle basic diagnostics, support and maintenance functions.

16. Intellectual property rights

- 16.1 Ownership of the intellectual property rights in the various Licensed Programs will remain vested in the proprietors of such Licensed Programs (which includes Munsoft) and no intellectual property rights to the Licensed Programs are granted or assigned to the Client.
- 16.2 The Client will not at any time, in any way, question or dispute the ownership of any proprietor (including Munsoft) of the Licensed Programs and undertakes not to infringe or prejudice any rights of the proprietors in and to the Licensed Programs.
- 16.3 The Client acknowledges that the System is not the property of the Client and that Munsoft intends that the Client will use the System only in terms of this Agreement.

17. Change order procedure/Requesting additional Supporting Services

- 17.1 No changes or additions to this Agreement will be effective or binding on the Parties unless a written change order is signed by authorised representatives of both Parties.
- 17.2 If either Party wants to propose a change in or addition to the System, Services and/or Supporting Services or other aspects of this Agreement, it may do so by delivering a change order request to the other Party.
- 17.3 If the Client delivers a change order request to Munsoft, Munsoft will issue a change note for the addition or amendment to the System, Services and/or Supporting Services. The written acceptance by the Client of this change note, by signature of the designated employee on the change note, will be sufficient proof of the authorisation of the addition and/or amendment required and confirmation that all internal requirements relating to the supply chain management of the Client and any requirements of the MFMA have been met.
- 17.4 The Client may request any of the Munsoft Essential ICT Services by providing Munsoft with a written request for such Munsoft Essential ICT Services. Munsoft will issue a change note for the provision of the required Munsoft Essential ICT Services and the acceptance of the designated employee of the Client of this change note will be enough proof of the authorisation of the required Munsoft Essential ICT Services.
- 17.5 Munsoft will be entitled to accept that by the signature of the designated employee being appended on the change note providing for an addition or amendment, all internal processes of the Client have been complied with and that such signature creates a valid acceptance of the change note provided by Munsoft.

18. Confidentiality and non-disclosure

Where Confidential Information is shared, the Party receiving the Confidential Information will:

- 18.1 not disclose or communicate the Confidential Information to any person other than its employees, agents or contractors who will be directly involved in work in respect of the System and/or Supporting Services and who have been made aware of the confidential nature of the

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- Confidential Information and have agreed to act in accordance with the terms of this undertaking;
- 18.2 will seek permission from the disclosing party prior to disclosing the Confidential Information to any third party who needs to know the Confidential Information;
- 18.3 act on or use the Confidential Information only for this Agreement and will not make any copies or otherwise duplicate the Confidential Information. The receiving party will seek permission from the disclosing party prior to using the Confidential Information for any other purpose; and
- 18.4 protect the Confidential Information with the same degree of care with which it protects its own confidential information of like importance, but in any event not less than with a reasonable degree of care.
- 18.5 The above undertakings will not apply to the extent that:
- 18.5.1 the receiving party is required by law to make disclosure of the Confidential Information. If a receiving party is required to disclose the Confidential Information pursuant to law, judicial or arbitration process, or by governmental authorities, the receiving party will advise the disclosing party thereof prior to disclosure, if possible, and will further to the extent that it is lawfully able to take such steps to limit the extent of the disclosure, afford the disclosing party a reasonable opportunity to intervene in the proceedings; and comply with the disclosing party's requests as to the manner and terms of any such disclosure;
- 18.5.2 the Confidential Information is or becomes generally available to the public other than because of a breach of the above by the receiving party or any of its employees, agents or contractors;
- 18.5.3 any Confidential Information is received by the receiving party from a third party who did not acquire the Confidential Information subject to any duty of confidentiality to the disclosing party;
- 18.5.4 the Confidential Information is already known to the receiving party or in its possession before the disclosure hereunder free of any obligation to keep it confidential;
- 18.5.5 the Confidential Information is already possessed or independently developed by the receiving party; or
- 18.5.6 the Confidential Information is approved for release by prior written authorisation from the disclosing party.
- 18.6 Each Party's Confidential Information will be and remain the property of that Party.
- 18.7 Neither Party will possess or assert any lien or other right against or to the other Party's Confidential Information, or sell, assign, lease or otherwise dispose of the other Party's Confidential Information, or any part thereof, to third parties.

19. Data privacy, collection, protection and consent

- 19.1 The Parties undertake to comply with the Protection of Personal Information Act in exercising its rights and obligations in terms of this Agreement.
- 19.2 The data provided by the Client to Munsoft remains the property of the Client and the Client retains all intellectual property rights therein.

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- 19.3 The Client grants Munsoft a license to use the data to the extent necessary for the provision of the System and/or the performance of the Services, which includes, but is not limited to, any regulatory reporting requirements.
- 19.4 The Client specifically consents to the use of its data to further the aims of the MSCOA Regulations, through the publishing of its data to governmental departments having the necessary authority.
- 19.5 The Client hereby specifically agrees that Munsoft may collect data from time to time that verifies the circumstances under which the Client is using the System and the Supporting Services, including the number of employees of the Client using the System and the IP addresses of the computer and/or computers, network or any other device in which the System is installed. The collection of such data will assist Munsoft in preventing the Use of the System other than in accordance with this Agreement and to enforce its rights in terms of the Agreement.
- 19.6 The Client hereby consents to the transfer of all data under its control (including personal information as defined in terms of the Protection of Personal Information Act) to servers located outside of South Africa (cloud storage) and undertakes to procure that its consumers provide the necessary consent in relation to their personal information (as defined in the Protection of Personal Information Act) for the transfer of their personal information to servers located outside of South Africa.

20. Indemnity

- 20.1 The Client hereby indemnifies Munsoft for all loss and damage (including legal fees) arising from:
- 20.1.1 a breach or non-performance of this Agreement by the Client or its authorised employees;
 - 20.1.2 all claims made by any third party arising from the Client's Use of the System, Services or Supporting Services;
 - 20.1.3 any failure by the Client to obtain the necessary consent required by Munsoft in terms of clause 18.3 (Confidentiality and non-disclosure); and
 - 20.1.4 any incidence of an information security breach of the System.

21. Limitation of Liability

- 21.1 Each Party's liability to the other for all claims, losses, damages or expenses from any cause whatsoever will be limited to direct damages proven, provided that in the case only of the Client's claim against Munsoft for proven direct damages, the amount that the Client is entitled to recover will not exceed the total amount of Annual License Fees paid to Munsoft by the Client for the period of the Agreement.
- 21.2 In no event will either Party be liable to the other for any special, incidental, consequential, or any other indirect loss or damage (including but not limited to lost profits or revenues, loss of data). These limitations of liability will apply regardless of the form of action, whether in contract, delict, strict liability, or otherwise and regardless of whether either Party has been advised as to the possibility of such damages and/or losses.

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22. Term and Termination

- 22.1 This Agreement will commence on the Commencement Date and will remain effective for the Initial Period.
- 22.2 The Client may extend this Agreement for subsequent 36-month periods by giving 90 days' written notice before the expiry of the Initial Period or any extended period.
- 22.3 The Client may not terminate this Agreement before the expiry of the Initial Period and will remain liable for all fees as quoted in the Summary Cost Schedule (Annexure A) in the event of any premature termination of this Agreement.
- 22.4 Should the Parties fail to agree on the extension of this Agreement before the expiry of this Agreement, the Agreement will not lapse but will continue on a month to month basis.
- 22.5 The term of any additional Supporting Service procured by the Client will appear on the change note issued by Munsoft for the relevant Supporting Service and will be subject to the provisions of this clause (Term and Termination).
- 22.6 If either Party terminates the Agreement, such termination will take effect from:
 - 22.6.1 the last day of the calendar month in which the termination notice is received, if the termination notice is received by the other party at least 5 Business Days prior to the end of the relevant calendar month; or
 - 22.6.2 the last day of the next calendar month, if the termination notice is not received 5 Business Days prior to the end of the relevant calendar month.

23. Effects of termination

- 23.1 The termination of this Agreement will not affect:
 - 23.1.1 either Party's rights or remedies for the period prior to termination; or
 - 23.1.2 those rights and obligations which, in terms of the Agreement, either expressly or by implication, will survive beyond termination.
- 23.2 If, at the time that termination takes effect, the Client has already paid its Annual License Fees for any subsequent renewal period, Munsoft will, within 30 Business Days after termination takes effect, refund to the Client any portion of the Annual License Fee remaining for the relevant subsequent renewal period. It is recorded that this provision only applies to Annual License Fees payable during subsequent renewal periods and that the Client will remain liable for all Annual License Fees quoted in Annexure A for the duration of the Initial Period, even if termination takes place during the Initial Period.
- 23.3 At the termination of this Agreement for whatever reason, the Client must delete all copies of the System from its ICT network and provide Munsoft with written confirmation that the System was removed. The Client will be responsible to make the necessary backup copies of all Client data and Munsoft will in no way be responsible to ensure that backup copies of Client data are kept.
- 23.4 Munsoft can assist the Client with the conversion of all Client data to whatever new integrated financial management and internal control system will be used by the Client, however, this service does not form part of this Agreement and will be quoted for separately.

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24. Breach

- 24.1 Either Party may terminate this Agreement and/or claim specific performance and/or damages if the other Party breaches any of the terms of this Agreement and fails to remedy such breach within 30 Business Days of receipt of a written notification from the Party requesting that the breach be remedied.
- 24.2 In the event of a breach of a material provision of this Agreement in circumstances where the remedy of specific performance or damages would not adequately prevent Munsoft from being prejudiced, Munsoft may cancel this Agreement, in which case Munsoft will give the Client written notice of cancellation and the cancellation will take effect on the giving of such notice.
- 24.3 The provisions in this clause are without prejudice to any other remedies that the Party affected by the breach may have at law.

25. Suspension of Maintenance and Support Services

- 25.1 In addition to Munsoft’s rights contained in the Term and Termination clause, if the Client materially breaches this Agreement or if the Client remains in arrears on any payment due for more than 60 days, Munsoft may, without prejudice to any other remedy it may have at law, immediately and without notice to the Client, suspend all Maintenance and Support Services to the Client.
- 25.2 If Munsoft suspends the Client’s access to the Maintenance and Support Services and the Client:
 - 25.2.1 remedies its breach;
 - 25.2.2 complies with the Agreement; and
 - 25.2.3 pays all outstanding amounts due in terms of the Agreement,then Munsoft will reactivate the Client’s access to the Maintenance and Support Services.

26. Force Majeure

- 26.1 Neither Party will be deemed in default of this Agreement, nor will it hold the other Party responsible for, any termination, interruption or delay in the performance of its obligations (excluding payment obligations) due to Force Majeure Events, provided that the Party relying on this clause gives prompt written notice thereof and takes all steps reasonably necessary to limit the effects of the force majeure event.
- 26.2 If a Force Majeure Event extends for more than 30 days in total from the date on which written notice was given, either Party may terminate this Agreement upon written notice.

27. Relationship between the Parties and good faith

- 27.1 Munsoft will serve as an independent contractor and under no circumstances will it be, or be deemed to be, a partner, joint venture or employee of the Client in the performance of its duties and responsibilities pursuant to the Agreement.
- 27.2 All employees engaged by Munsoft will be the Munsoft’s employees, subcontractors, or agents, and the entire management, direction, and control of all such employees will be exclusively vested with the Munsoft.

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27.3 The Parties undertake to act in the utmost good faith in their relationship with each other and they undertake not to do anything nor refrain from doing anything which might prejudice or detract from the rights or interests of the other of them.

28. Dispute Resolution

28.1 In the event of a dispute between the Parties of any kind or nature relating to this Agreement, upon the written request of either Party, each of the Parties will appoint a senior representative whose task it will be to meet to resolve such dispute. Such representatives will discuss the matter in dispute and negotiate in good faith, to resolve the dispute on mutually agreeable terms.

28.2 No formal proceedings may be commenced until either or both designated representatives conclude in good faith, that amicable resolution through continued negotiation of the matter is not likely to occur.

28.3 Any dispute that might arise between the Parties that cannot be resolved by the above will be submitted to and decided by arbitration.

28.4 Both Parties will continue to comply with all the provisions of this Agreement with all due diligence during the determination of such dispute, should the dispute arise during the subsistence of this Agreement.

29. Arbitration

29.1 The Parties agree to subject themselves to resolve any disputes that could not be resolved between themselves, by means of arbitration in English through AFSA or any other mutually agreed upon institution.

29.2 The agreement to resolve any dispute through arbitration does not preclude any party to seek urgent interim relief from any High Court of South Africa of competent jurisdiction should such urgent relief be required.

29.3 The arbitration will take place in Pretoria as soon as possible, but not later than 21 days from notification to such effect, given by either Party, except for urgent interim relief which may be sought from any High Court of South Africa of competent jurisdiction.

29.4 AFSA, or any other institution which the Parties may agree upon, will take the nature of the dispute into account when appointing an arbitrator, who will first endeavour to resolve the dispute between the Parties by means of mediation, failing which he/she will arbitrate the matter in terms of the applicable institution's rules.

29.5 For purposes of having any award made by the arbitrator, being made an order of court, each Party hereby submits itself to the jurisdiction of the High Court of South Africa.

29.6 This clause is severable from the rest of this Agreement and will remain in effect, even if this Agreement is terminated for any reason.

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30. Addresses

- 30.1 Each Party chooses the addresses set out on the cover page of this Agreement as its address and Domicilium to which all notices and other communications must be delivered for the purposes of this Agreement.
- 30.2 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 delivered to a Party's chosen address or email address in accordance with the provisions of this clause.
- 30.3 Any Party may, by written notice to the other Party, change its chosen address to another address, provided that the change will become effective on the 10th Business Day after the receipt or deemed receipt of the notice by the addressee.
- 30.4 Any notice to a Party contained in a correctly addressed envelope and delivered by hand to a responsible person during ordinary business hours at its chosen address will be deemed to have been received on the day of delivery.
- 30.5 Any notice by email to a Party at its email address will be deemed, unless the contrary is proved, to have been received on the first Business Day after the date of transmission.
- 30.6 Notwithstanding anything to the contrary contained in this clause, a written notice or communication received by a Party will be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen address.

31. Entire Agreement

This Agreement contains the entire agreement between the Parties in relation to the subject matter hereof.

32. Variation

No amendment or variation to this Agreement will be of any force or effect unless reduced to writing on paper and signed by or on behalf of the duly authorised representatives of both Parties in pen. The provisions of the Electronic Communications and Transactions Act, 2002 (25 of 2002) are expressly excluded from this clause.

33. No waiver

The failure of either Party to insist upon the strict performance of any provision of this Agreement or to exercise any right, power or remedy in the event of a breach of this Agreement, will not be a waiver by such Party to require strict and punctual compliance with every provision of this Agreement.

34. Cession and Assignment

No Party to this Agreement may cede or delegate all or any portion of its rights, obligations nor liabilities under this Agreement without the prior consent of the other Party, provided that a Party will be entitled to assign, cede or delegate any of its rights or obligations to an affiliate.

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35. Severability

If any clause or term of this Agreement should be invalid, unenforceable, defective or illegal for any reason whatsoever, then the remaining terms and provisions of this Agreement will be deemed to be severable from such clause and will continue in full force and effect unless such invalidity, unenforceability, defect or illegality goes to the root of this Agreement.

36. Costs

Each Party will bear its own costs relating to the negotiation and execution of this Agreement.

37. Counterpart

This Agreement may be signed in counterparts and the copies signed in counterpart will form the Agreement. This will include scanned copies of this Agreement.

38. Governing language

Any notice given or communication made in terms of this Agreement will be in English. To be clear, any communication in whatever form (written or verbal) between Munsoft and the Client must be made in English.

39. Governing Law

All the provisions of this Agreement will be governed by and interpreted 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 High Court of South Africa regarding all matters arising from this Agreement.

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40. Signature

SIGNED at _____ (place) on _____ (date)

For and on behalf of **MUNSOFT PROPRIETARY LIMITED**

Signature _____

Name _____

Capacity _____

Who warrants that he/she is authorised to do so.

Witness _____

SIGNED at _____ (place) on _____ (date)

For and on behalf of the **CLIENT**

Signature _____

Name _____

Capacity _____

Who warrants that he/she is authorised to do so.

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Annexure A - Summary Cost Schedule

1. Summary of fees

	Start Date	End Date	Implementation	Municipal Financial Year July 2022 to June 2023			Municipal Financial Year July 2023 to June 2024		
				Once-off Fees	Monthly Fees	Annual Fees	Once-off Fees	Monthly Fees	Annual Fees
Munsoft Service Fee	01-Jul-22	30-Jun-27			R 57,331.01			R 63,064.11	
Munsoft Annual Maintenance Fee	01-Jul-22	30-Jun-27				R 1,615,017.14			R 1,776,518.85
* Munsoft Implementation Fee	01-May-22	30-Jun-22	R 2,200,890.20						
Active Schedules									
Service Schedule A: Maintenance and Support Services	01-Jul-22	30-Jun-27			Active	Active		Active	Active
Service Schedule C: Munsoft Connectivity	01-Jul-22	30-Jun-27			Active			Active	
Service Schedule E: Munsoft Standard Disaster Recovery Service	01-Jul-22	30-Jun-27			Active			Active	
Service Schedule J: Munsoft E-Services Solution	01-Jul-22	30-Jun-27			Active and Variable	Active		Active and Variable	Active
Service Schedule P: HR and Payroll	01-Jul-22	30-Jun-27				Active			Active
Service Schedule Q: Munsoft Academy	01-Jul-22	30-Jun-27				Active			Active
Service Schedule R: Munsoft Reporting	01-Jul-22	30-Jun-27				Active			Active
Active Schedule Fees for Period (Excluding VAT)			R 2,200,890.20	R -	R 57,331.01	R 1,615,017.14	R -	R 63,064.11	R 1,776,518.85
Activation of Schedules									
None									
Activation of Schedules Fees for Period (Excluding VAT)				R -	R -	R -	R -	R -	R -
Total Fees per category for the Municipal Financial Year (Excluding VAT)			R 2,200,890.20	R -	R 687,972.06	R 1,615,017.14	R -	R 756,769.27	R 1,776,518.85
Total Fees for the Municipal Financial Year (Excluding VAT)			R 2,200,890.20			R 2,302,989.20			R 2,533,288.12
Total Fees for the Contract Period (Excluding VAT)									

Annexure A continue on next page ...

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Annexure A continued...

	Start Date	End Date	Municipal Financial Year July 2024 to June 2025			Municipal Financial Year July 2025 to June 2026			Municipal Financial Year July 2026 to June 2027		
			Once-off Fees	Monthly Fees	Annual Fees	Once-off Fees	Monthly Fees	Annual Fees	Once-off Fees	Monthly Fees	Annual Fees
Munsoft Service Fee	01-Jul-22	30-Jun-27		R 69,370.52			R 76,307.57		R 83,938.32		
Munsoft Annual Maintenance Fee	01-Jul-22	30-Jun-27			R 1,954,170.74			R 2,149,587.81		R 2,364,546.59	
* Munsoft Implementation Fee	01-May-22	30-Jun-22									
Active Schedules											
Service Schedule A: Maintenance and Support Services	01-Jul-22	30-Jun-27		Active	Active		Active	Active	Active	Active	
Service Schedule C: Munsoft Connectivity	01-Jul-22	30-Jun-27		Active			Active		Active		
Service Schedule E: Munsoft Standard Disaster Recovery Service	01-Jul-22	30-Jun-27		Active			Active		Active		
Service Schedule J: Munsoft E-Services Solution	01-Jul-22	30-Jun-27		Active and Variable	Active		Active and Variable	Active	Active and Variable	Active	
Service Schedule P: HR and Payroll	01-Jul-22	30-Jun-27			Active			Active		Active	
Service Schedule Q: Munsoft Academy	01-Jul-22	30-Jun-27			Active			Active		Active	
Service Schedule R: Munsoft Reporting	01-Jul-22	30-Jun-27			Active			Active		Active	
Active Schedule Fees for Period (Excluding VAT)			R -	R 69,370.52	R 1,954,170.74	R -	R 76,307.57	R 2,149,587.81	R -	R 83,938.32	R 2,364,546.59
Activation of Schedules											
None											
Activation of Schedules Fees for Period (Excluding VAT)			R -	R -	R -	R -	R -	R -	R -	R -	
Total Fees per category for the Municipal Financial Year (Excluding VAT)			R -	R 832,446.19	R 1,954,170.74	R -	R 915,690.81	R 2,149,587.81	R -	R 1,007,259.89	R 2,364,546.59
Total Fees for the Municipal Financial Year (Excluding VAT)					R 2,786,616.93			R 3,065,278.63			R 3,371,806.48
Total Fees for the Contract Period (Excluding VAT)											R 16,260,869.57

The schedules selected by the Client are those reflecting “Active” or a that have a Rand value under applicable municipal financial year.
All fees quoted are exclusive of Value Added Tax and Travel Cost

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The fees detailed in Annexure A includes all fees relating to Munsoft’s appointment by the Client. Only the once-off, monthly and annual fees are payable in terms of this Agreement.

*The implementation fees (displayed in the implementation column of Annexure A) are only included for the sake of completeness and these fees are payable in terms of the Implementation Agreement entered between the Parties.

2. Communication charges

The following communication charges are invoiced separately on a per use basis. All charges quoted exclude Value Added Tax and are subject to change on giving 30 days’ notice.

SMS Charge	-	R0.30/SMS
MMS Charge	-	R2.25/MMS
Email Charge	-	R0.12/Email

3. Schedule of out of scope tariffs

The Client may from time to time require Munsoft to deliver additional services, outside the scope of the Agreement. These out of scope services will be delivered on a time and materials basis. The relevant tariffs for any out of scope work to be delivered by Munsoft are as follows:

Item	Description	Hourly Rate in ZAR (VAT exclusive)
1	Project Manager	R 1 200.00
2	Junior Consultant	R 950.00
3	Consultant	R 1 200.00
4	Senior Consultant	R 1 400.00
5	Business Analyst	R 1 400.00
6	Change Management Specialist	R 1 400.00
7	Subject Matter Expert	R 1 400.00
8	Senior Implementation Consultant	R 1 400.00
9	Implementation Consultant	R 1 200.00
10	Junior Implementation Consultant	R 950.00
11	Enterprise Architect	R 1 400.00
12	Senior Data Migration Specialist	R 1 400.00
13	Junior Data Migration Specialist	R 1 200.00
14	ICT Specialist	R 1 200.00
15	Trainer	R 1 400.00

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4. Travel and subsistence:

Air travel will be reimbursed at the rate of an economic class ticket.

Road travel with own vehicle will be reimbursed at the automobile association (AA) tariff.

Hired vehicles will be reimbursed at a rate of a group B vehicle.

Accommodation will be reimbursed at a rate of a three-star rating hotel or guest house.

Travel and Accommodation Rates	
Per kilometre rate	R 5.00
Accommodation and subsistence per day	R 1 720.00
Flight cost per return flight	R 4 700.00
Car hire cost per day	R 800.00
Car refuels	R 800.00
Point-to-point (to & from airport)	R 1 800.00
Travel Time	R 950.00
Miscellaneous	R 650.00

5. Printing Charges

The following printing charges are invoiced separately on a per use basis. All charges quoted exclude Value Added Tax and are subject to change on giving 30 days' notice.

R 1.91 per statement printed and mail processed (R1 910.00 per 1000)

R 3.83 per statement posted* (R 3 830.00 per 1000)

Net courier rate for statements sent to branch

*Please note that postage discounts of up to 8% can be achieved if valid PAMSS certificate is on hand.

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Annexure B – License Summary Schedule

The following licenses are included in the cost summary above. Should the number of employees / users increase to more than the maximum number indicated below, additional Software and Annual Licence fees will be payable.

License	License Count	Comment
Munsoft FMS	42x User Licenses	See Schedule A for more details.
Payroll, HR and Employee Self Service Visual	10x User Licenses	See Schedule P for more details.
Munsoft Reporting	2x Baseline User Licenses 1x NT Returns & Budget Formats Template 1x GRAP Template for Municipalities	See Schedule R for more details.

Please refer to the Schedule per module for a comprehensive description of above summary.

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Annexure C – Summary of Supporting Services

The table below contains a summary of all the available Supporting Services that Munsoft can deliver, including the Supporting Services that the Client has procured as per Annexure A “Summary Cost Schedule”, as well as all optional Supporting Services that the Client may wish to procure at a later stage.

The Client may procure any of the additional Supporting Services listed below and not previously procured by the Client by following the process described in the Clause 17 of the Agreement.

Service Schedule	Service Schedule Name	Service Schedule Description	Service Schedule Requirement	
A	FMS Annual License Fee, Maintenance and Support Services	Annual License Fee, Maintenance and Support of the Munsoft Financial Management System including the infrastructure on which the system runs.	Mandatory	Section 62(1) of the Municipal Finance Management Act, 56 of 2003
B1	Operational Consulting Support (Monthly)	This schedule offers a municipality the opportunity to get additional assistance on financial items normally performed by municipal staff. The actual work is still performed by the relevant municipal staff member(s), but assistance comes in the form of making sure any non-application related errors or assistance of a consulting nature is resolved timeously.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
B2	Operational Consulting Support (AFS)			
B3	Operational Consulting Support (Assets)			
B4	Operational Consulting Support (VAT Recovery)			
C	Connectivity	Virtual Private Network connectivity solution between the municipality and Munsoft that allows for improved disaster	Mandatory	Sections 21A and 21B of the Municipal Systems Act, 32 of 2000; and Section 62 of the Municipal

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Service Schedule	Service Schedule Name	Service Schedule Description	Service Schedule Requirement	
		recovery, support services, FMS server management and various 3rd party integrations.		Finance Management Act, 56 of 2003
D	Integrated Municipal Information System (IMIS)	IMIS integrates GIS, Process Automation & Workflow, Land, Infrastructure assets, Valuation management with the Munsoft Financial Systems linking them into one easy to use interface.	Mandatory	Section 62(1) of the Municipal Finance Management Act, 56 of 2003; and National Archives and Record Service of South Africa Act, 43 of 1996; and MSCOA Regulations, 2014 as more fully detailed in MFMA Circular 80 Annexure B
E	Standard Disaster Recovery Service	This service allows selected data to be stored and protected off-site and, in the event of a failure, to be recovered onto a designated disaster recovery server located at a designated disaster recovery facility, ensuring continuity of the FMS, Payroll and HR systems.	Mandatory	MSCOA Regulations, 2014 as more fully detailed in MFMA Circular 80 Annexure B
F	Electronic Meter Reading Solution	Electronic Meter Reading System which allows meter readers to capture meter readings into a rugged handheld device. Readings are then instantly transmitted to the Munsoft PM website where the administrator then has a visual view of the meter readers progress for the reading cycle.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
G	Extended Disaster Recovery Service	Munsoft can extend the existing standard disaster recovery services to include backups on selected file servers, additional sub systems and email infrastructure.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.

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Service Schedule	Service Schedule Name	Service Schedule Description	Service Schedule Requirement	
H	Statement Printing Solution	Monthly printing and posting of the Municipal statements to consumers.	Mandatory	Section 64 of the Municipal Finance Management Act, 56 of 2003; and Section 95 of the Municipal Systems Act, 32 of 2000
I	Essential ICT Services	Backoffice ICT infrastructure maintenance- and escalation support services that is not FMS related but rather of a highly skilled technical nature and that is essential for the optimal performance of the Municipality's ICT infrastructure environment. Schedule I services complement FMS functions to ensure quicker and more effective resolution to FMS infrastructure related failures and recovery.	Mandatory	Regulation 5(3) of the MSCOA Regulations, 2014
J	eServices Solution	Electronic statements sent to the Municipality's consumers via e-mail, MMS and SMS on a monthly basis. General communication from the Municipality can also be send to the Municipality's consumers via e-mail and SMS.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
K	Performance Management Solution	The Munsoft Assist tool facilitates the management of organisational and individual performance within a municipality while the associated consulting services assist with the Integrated Development Plan (IDP), and the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality using the SMART principles.	Mandatory	Chapter 6 of the Municipal Systems Act, 32 of 2000

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Service Schedule	Service Schedule Name	Service Schedule Description	Service Schedule Requirement	
L	Electronic Meter Reading Devices	Ultra-rugged hand-held meter reading devices.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
M	Revenue Management Services	Consulting services to assist Municipalities with accurate and complete billing, indigent management, debt collection and credit control.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
N	mSCOA Budget Compliance Consulting Services	This schedule consists of three milestones, with each milestone focussed on a specific budget cycle as required by the Municipal Budget and Reporting Regulations (MBRR) published in the Government Gazette 32141 dated 17 April 2009. Munsoft assists the Client to capture the budget on the Financial Management System, analyse the budget data to be captured and assist with the generation of accurate legislative documentation.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
O	Training	Munsoft Financial Management System and related training services.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
P	Payroll & HR	Munsoft acts as an agent for both PayDay and VIP to provide Payroll and HR related functionality.	Mandatory	MSCOA Regulations, 2014 as more fully detailed in MFMA Circular 80 Annexure B

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Service Schedule	Service Schedule Name	Service Schedule Description	Service Schedule Requirement	
Q	Online Academy	The Munsoft Academy is a free e-learning service available to all Munsoft users and is LGSETA accredited. It can be accessed at www.munsoft-academy.co.za .	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
R	Munsoft Reporting	Reporting forms an integral part of the Munsoft System and automates the production of a full set of GRAP financial statements, National Treasury Returns and Budget Formats, and Management Reporting for municipalities	Mandatory	Section 74 of the Municipal Finance Management Act, 56 of 2003; and Chapter 12 of the Municipal Finance Management Act, 56 of 2003
S	Legal & mSCOA Compliance Verification	The assessment of municipal compliance with and adherence to all legal requirements applicable to Local Government.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
T	Asset Verification System	The management and tracking of movable assets using the Munsoft Asset Verification scanner.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
U	Field Worker Application	The Munsoft Field Worker Application is used to meet various Client customer care requirements and caters for any type and number of Client departments.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
V	3rd Party Systems through Munsoft	The ability for the Municipality to procure 3rd Party Systems that are ancillary to or dependent on the Munsoft FMS system.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.

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Service Schedule	Service Schedule Name	Service Schedule Description	Service Schedule Requirement	
W	All In Consulting Services	A combination of Consulting services delivered to the Municipality for the purpose of improving or maintaining a favourable Audit Opinion.	Optional	This Service Schedule is based on the internal capacity and skills of the Municipality.
X	Munsoft Spatial	Munsoft Spatial is an interactive revenue management module that allows decision-makers to see the latest financial and non-financial information on an interactive map. This module assists to improve the Municipality's cash position effort, data cleansing effort and compliance with MFMA Circulars No. 93 and 98 on the reconciliation of the valuation roll.	Mandatory	Chapter 4 Part E of the Spatial Land Use Management Act, 16 of 2013; and MSCOA Regulations, 2014 as more fully detailed in MFMA Circular 80 Annexure B

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Annexure D – Supporting Service Schedules

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Schedule A – Munsoft Technical Support

Maintenance and Support Services will include:

1. Provision and maintenance of the Munsoft FMS Core End user licenses.
2. Unlimited remote and telephonic support (incidents and/or requests only, telephonic training is excluded) via Munsoft's service desk.

All incidents and/or requests (Service Records) logged with Munsoft will be classified in accordance with the guidelines below. Please note the provisions relating to onsite support, specifically relating to the cost thereof.

Incident is defined as an unplanned interruption, or reduction in the quality of, existing systems, platforms, modules or services.

Request is defined as a formal request from a user for installation, move, addition or change of new- or existing systems, modules, platforms or services.

Service Record Type	Description	Frequency	Remote	Onsite	Cost
Support	<p>All software error related incidents that require remote support or onsite support for error resolution.</p> <p>A software error is a flaw, failure or fault in the Munsoft System that causes it to produce an incorrect or unexpected result.</p> <p>Human errors and system errors caused as an indirect result of human errors (i.e. verification done inappropriately that prevents creditor payments), are specifically excluded from support.</p> <p>Imbalances between submodules and the General Ledger caused by journals, inappropriate transactions on the segments processed by the end user are excluded.</p>	Unlimited	Unlimited	As and when required - only if remote support options are exhausted with no error resolution.	<p>Remote Support Included in Monthly Service Fee.</p> <p>Labour, Travel & Accommodation (if applicable) to be recovered on cost recovery.</p>

Service Record Type	Description	Frequency	Remote	Onsite	Cost
Development	All incidents that require coding for system customisation or enhancement. This can be in a form of a Bug Fix/Patch, Update or Upgrade. All development requests/enhancements will go through an evaluation and assessment phase. Only approved change requests will be scheduled.	As and when required	Unlimited or at cost	As and when required	All Bug Fix/Patch and minor updates are unlimited in Monthly services and Annual Maintenance Fees. All custom development requests (client specific) and major upgrades are subject to approval of quotation.
Training	All training requests including hand holding, classroom, onsite and one on one system usage training. Updating and distribution of user manuals and/or Licensed Material (where possible) in electronic format. Online training and user manuals available through the Munsoft Academy.	As per schedule	At cost	At cost	All hand holding, classroom, onsite and one on one system usage training are at cost as per training schedule. The Munsoft Academy is a free e-learning service.
Technical Support	Munsoft Technical Support, not FMS system related, but rather of a technical nature and that is essential for the optimal performance of the System.	Unlimited	Unlimited	At cost	Remote Support Included in Monthly Service Fee. Labour, Travel & Accommodation (if applicable) to be recovered on cost recovery basis.
Consulting	All incidents that are not system error related, i.e. monthly reconciliations, that require a consultant to assist a client to fulfil a municipal business process.	As and when required	At cost	At cost	As per approved Schedule B and/or N or the use of Ad-hoc rate card.

Munsoft provides technical support that is not Munsoft Financial System related but rather of a technical nature and that is essential for the optimal performance of the System (hereinafter referred to as “Technical Support”).

The various Munsoft Technical Services included in this schedule are selected below.

Any additional Technical support required does not form part of this schedule and should be negotiated between the parties in terms of Schedule I.

Service Description	<p>Standard Monthly Infrastructure Reporting</p> <p><input checked="" type="checkbox"/> Backup Success, Failure and Licensing* <input checked="" type="checkbox"/> Munsoft FMS Server Health Status</p> <p><i>**Schedule E" dependent</i></p>
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<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Munsoft Service Desk
<input checked="" type="checkbox"/>	<p>FMS Infrastructure Monitoring</p> <input checked="" type="checkbox"/> Munsoft Server <input checked="" type="checkbox"/> Router* <i>*Dependent on Schedule C</i>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Payroll Server <input type="checkbox"/> IMIS Server
<input checked="" type="checkbox"/>	<p>Munsoft Server Administration and Maintenance</p> <input checked="" type="checkbox"/> Operating System <input checked="" type="checkbox"/> ProIV Licensing <input checked="" type="checkbox"/> Oracle <input checked="" type="checkbox"/> Integration Services <input checked="" type="checkbox"/> System Security
<input checked="" type="checkbox"/>	<p>End-user Dependencies</p> <input checked="" type="checkbox"/> ProIV Client <input checked="" type="checkbox"/> Caseware* <i>*Schedule R dependent for licensing</i>
<input checked="" type="checkbox"/>	<input type="checkbox"/> Cashier Printer(s) <input type="checkbox"/> Cheque Printer(s) <input type="checkbox"/> Orders Printer(s) <input type="checkbox"/> Receipt Printer(s)
<input checked="" type="checkbox"/>	<p>Munsoft Financial Management System Software</p> <input checked="" type="checkbox"/> Payroll (Payday) <input type="checkbox"/> Payroll (VIP) <input checked="" type="checkbox"/> Caseware <input checked="" type="checkbox"/> ProIV Clients
<input checked="" type="checkbox"/>	<p>Munsoft Financial Management System Hardware (Subject to valid warranty)</p> <input checked="" type="checkbox"/> Munsoft Server <input type="checkbox"/> Munsoft Print Server <input type="checkbox"/> Dot-matrix Printers

The following will not be considered part of the Maintenance and Support Services for this Agreement:

1. Services which may be required due to the malfunction of any nature whatsoever at the Location, including power failure, switching off the system in error and faulty wiring;
2. Services which may be required due to the Client's use, operation or utilisation in any manner of the System (or any part thereof) outside the scope of this Agreement, the Licensed

- Material and or any other reasonable instructions of Munsoft to the Client in terms of this Agreement;
3. Maintenance, support or attending to faults or errors of any software, accessories, attachments, hardware, machines, systems or any other device of which is not supplied by Munsoft to the Client, unless specifically included;
 4. Consulting tasks or any other task that would otherwise have been the responsibility of the client.
 5. All development requests for systems enhancements and improvements.

Process of Logging Service Records

1. How to Log Support Calls via Telephone

Service requests can be logged via telephone by phoning our Help Desk:

- Munsoft FMS related queries **011 215 8000**
- ICT Infrastructure related queries **086 123 4862**

A support consultant will then log a call and provide you with a service request (SR#) number.

By providing the consultants with detailed information around the issue, you will be ensuring we assist with your service request's resolution promptly.

Please take note issues won't necessarily be resolved over the phone immediately as technicians could be busy with another call in the support queue. If it's an emergency or priority call, please escalate via your service delivery manager.

2. How to Log Support Calls via E-Mail

Support service requests (SR#) can be logged by sending an email to support@munsoft.co.za.

Please apply the following format in your email:

- Subject line should read "Company Name – Brief description of the request or problem"

For example: "Company Name: Johannesburg – Branch can't connect to the internet"

- In the body of the email, provide us with detailed information describing your request. For instance, when or under which circumstances the issue occurs. Indicate who the contact person is and what their contact details are.

For example: "Please have a look at my internet access, it is very slow. This is urgent as I need to do my internet banking today. Thanks John Doe 082 123 4567 & email address"

- Our system will respond with an email sent to the initial sender with the subject line: “New Incident #12,345”. Should the sender not receive this email, they should phone the Munsoft Help Desk on **011 215 8000** or **086 123 4862** to log the call telephonically.

3. How to Follow Up

To follow up on your service request, you can call our Help Desk on **011 215 8000** or **086 123 4862**. When following up have your Service Request (SR#) number ready.

Munsoft Help Desk Contact Details:

- Service Desk telephone number for Munsoft FMS related queries: **011 215 8000**
- Service Desk telephone number for ICT Infrastructure related queries: **086 123 4862**
- Emails for support requests: support@munsoft.co.za

Munsoft Service Desk Support Hours:

- Monday – Fridays during business hours 08:00 – 17:00
- The Munsoft Help Desk is not open on weekends or public holidays.

Service Level Warranties

Impact, Urgency and Priority Criteria

- *Impact* is a measure of the effect of an incident, problem, or change on business processes. Impact is often based on how service levels will be affected.
- *Urgency* is a measure of how long it will be until an incident, problem, or change has a significant business impact. For example, a high impact incident may have low urgency if the impact will not affect the business until the end of the financial year.
- *Priority* is a category that identifies the relative importance of an incident, problem, or change. Priority is based on impact and urgency, and it identifies required times for actions to be taken. Impact and urgency are used to assign priority.

Impact criteria

The following table lists the criteria for determining the impact of an incident.

Category	Description
Extensive	There is extensive business service impact because multiple clients, or an entire critical business area is affected by the incident. Considerable human and technical resources are needed. Management is involved in the decision process.
Significant	a. A large number of staff, or an important business area is severely affected and/or not able to do their job.

Category	Description
	<ul style="list-style-type: none"> b. A large number of clients are affected and/or acutely disadvantaged in some way. c. The damage to the reputation of the business is likely to be high.
Moderate	<ul style="list-style-type: none"> ▪ A moderate number of staff are affected and/or not able to do their job properly. ▪ A moderate number of customers are affected and/or inconvenienced in some way. ▪ The damage to the reputation of the business is likely to be moderate.
Minor	<ul style="list-style-type: none"> a) A minimal number of staff are affected and/or able to deliver an acceptable service, but this requires extra effort. b) A minimal number of customers are affected and/or inconvenienced but not in a significant way. c) The damage to the reputation of the business is likely to be minimal.

The following matrix is used to determine the incident's impact.

Impact	#Affected Services		
#Affected Users	Core Business Functions/Systems/ Modules/Platforms	Support Functions/Systems/ Modules/Platforms	Non-urgent Functions/Systems/ Modules/Platforms
Municipality/ Department/Branch/ Group of VIPs	Extensive	Significant	Significant
Small Group of Users or VIPs	Extensive	Significant	Moderate
Single User (VIPs excluded)	Significant	Moderate	Minor

Urgency criteria

The following table lists the criteria for determining the urgency of an incident.

Urgency	Action needed
Critical	Resolution is immediately necessary to prevent severe business impact.

Urgency	Action needed
High	Resolution is needed as soon as possible because of potentially damaging service impact.
Medium	Resolution will solve irritating problems or repair missing functionality. The solution change can be scheduled.
Low	Resolution will lead to improvements, changes in workflow, development of new functionality or configuration. The solution can be scheduled.

Priority Criteria

The following matrix is used to determine the incident's priority, automatically allocated based on the incident's impact and urgency.

Priority	Urgency			
	Critical	High	Medium	Low
Extensive	P1	P1	P2	P4
Significant	P1	P2	P3	P4
Moderate	P2	P2	P3	P4
Minor	P2	P3	P3	P4

The table below defines the various priority levels of an incident with associated response and resolution times.

Priority	Name	Description	Response Time	Resolution Time
P1	Critical	Interruption making a critical functionality inaccessible or a complete network interruption causing a severe impact on services availability. There is no possible alternative.	0 – 2 consecutive business hours	0 – 16 consecutive business hours
P2	Important	Critical functionality or network access interrupted, degraded or unusable, having a severe impact on services availability. No acceptable alternative is possible.	2 – 4 consecutive business hours	3 Business Days

Priority	Name	Description	Response Time	Resolution Time
P3	Normal	Non-critical function or procedure, unusable or hard to use having an operational impact, but with no direct impact on services availability. A workaround is available	4 – 6 consecutive business hours	5 Business Days
P4	Low	Application or personal procedure unusable, where a workaround is available, development of new functionality has been requested or a repair is possible.	7 – 12 consecutive business hours	To be scheduled

1. The above service level warranties will only be maintained by Munsoft if all Annual License Fees and Monthly Maintenance and Support Fees are paid up to date.
2. Response Time is defined as the amount of time between when the client first creates an incident report (which includes sending an email or using an online ticketing system) and when the provider responds and lets the client know Munsoft is currently working on it.
3. Resolution Time is defined as the amount of time between when the client first creates an incident report (which includes sending an e-mail or logging the incident on the helpdesk, followed by an automated response allocating a unique service record number) until the time that the client is advised that the problem is solved.
4. Response and Resolution times will be measured by the Munsoft call logging system.
5. If a call is logged prior to the completion of a Business Day, measurement of the response and resolution targets will be adjusted accordingly to only include Business Hours.
6. Should a temporary bypass be effected which results in the ability of the System to operate in such a way that it does not materially affect the Client’s business, this will be deemed to be a resolution in terms of this clause, provided that the permanent fix is effected according to the determined priority.
7. Data corruption because of server malfunction and data imbalances due to a user error are not measured as part of the Service Level Warranties appearing above.
8. Should the Munsoft communication link be unavailable, then resolution of the problem may require an on-site visit, and, in this event, resolution time will be affected by the travel time.
9. Munsoft will not be able to manage and/or control any third-party suppliers also engaged by Munsoft if the Client elects to directly engage with such third-party suppliers to deliver services like the Services, or to integrate its products and/or services with the Munsoft Financial System. Munsoft will not be responsible to maintain any service levels on behalf of such independently contracted third-party suppliers.
10. Munsoft will not be accountable for any financial advice that is provided by contracted Consultants of the Municipality with regards to transactions performed on the Munsoft FMS that Munsoft may not agree to and/or may adversely affect the financial data of the Municipality, i.e. General Ledger journals processed on the incorrect control segments.

Service Level Penalties

- The Client must give Munsoft notice in writing of any unsatisfactory performance because of non-delivery against agreed response and resolution times and allow Munsoft reasonable time to rectify the unsatisfactory performance.
- Should Munsoft fail to rectify any unsatisfactory performance within the allowed period, the following penalties may be imposed by the Client:
 - Severity 1 - non-performance - 1/12 of Annual License Fee;
 - Severity 2 - non-performance - 1/24 of Annual License Fee;
 - Severity 3 - non-performance – 1/36 of Annual License Fee.
- These penalties will only be payable by Munsoft if any unsatisfactory performance was not caused due to a breach of any of the Client’s obligations contained in 14. (Client obligations) hereof.

Schedule C – Munsoft Connectivity

Munsoft can offer the Client a Virtual Private Network via Munsoft Connectivity

1. Deliverables

- 1.1. A cost-effective Wide Area Network (“WAN”) solution managed and maintained by Munsoft and 3rd party Internet Service Provider (“ISP”).
- 1.2. If the Client makes use of this specific Supporting Service, Munsoft will enter into a Service Level Agreement (“SLA”) with the selected ISP on behalf of the Client.
- 1.3. The SLA will include:
 - 1.3.1. Minimum 4Mbps internet line
 - 1.3.2. Standard support hours (8am to 5pm)
 - 1.3.3. A guaranteed maximum time to repair (“GMTR”) of 12 hours.
- 1.4. All router equipment will be provided to the Client directly by Munsoft and the selected ISP. The Client will connect to Munsoft’s IP Network by means of Munsoft supplied secured communications device and ISP router.

2. Schedule specific terms and conditions

- 2.1. The terms of the SLA that Munsoft enters on behalf of the Client with the ISP is incorporated into this Schedule by reference. Munsoft will provide the Client with a copy of the SLA upon the Client’s request.
- 2.2. The terms of the SLA are subject to change without notice if the selected ISP changes the terms of its SLA. Munsoft will communicate any changes to the Client as soon as Munsoft is informed of such changes by the ISP.

Schedule E – Munsoft Standard Disaster Recovery Service

Munsoft can provide a disaster recovery solution (“hereinafter referred to as “Munsoft Standard Disaster Recovery Solution”) which allows selected Client data to be stored and protected off-site and, in case of a failure, to be recovered onto a designated disaster recovery server located at a designated disaster recovery facility.

1. The Munsoft Standard Disaster Recovery Solution includes the following:

- 1.1. Initial set up of Client backup solution with mission critical users, securities and passwords, as well as a complete set of Client data as a starting point.
- 1.2. Automatic daily alignment of the selected system data over the Munsoft/Telkom managed network to the designated disaster recovery site.
- 1.3. The Client will be responsible to select the data to be backed-up and formally approve such data on the Backup Selection List.
- 1.4. Retention period:
 - 1.4.1. Current and previous month with 10 years of month-ends/roll-ups for the Munsoft Financial Management System.
 - 1.4.2. Current and previous month with a further 10 months of month-ends/roll-ups for the Payroll (Payday or VIP) and TGIS (if being used).
- 1.5. In case of a restore of Client data, the restore will be based on the last successful daily backup.
- 1.6. The Client can run on the Munsoft Standard Disaster Recovery Solution for no longer than 30 calendar days. Should it exceed the 30 days, Munsoft reserves the right to charge the Client a fee equal to 0.1% of the Annual Service Fee for every calendar day more than the initial 30 calendar days.
- 1.7. Restore-testing will be executed quarterly. Additional restore tests are charged at 2.5% of the Annual License Fee.
- 1.8. Access to the Munsoft Standard Disaster Recovery Solution infrastructure is restricted to persons expressly authorised by the Client only.
- 1.9. The Munsoft Standard Disaster Recovery Solution makes use of the Munsoft supplied connectivity solution and the consistency of the backups are subject to the reliability of this connectivity.
- 1.10. The Munsoft Standard Disaster Recovery Solution provides disaster recovery services for the following Licensed Programs only:
 - 1.10.1. Munsoft Financial System;
 - 1.10.2. Payroll (VIP).
 - 1.10.3. Disaster Recovery for IMIS (if being used) is included in the Munsoft Standard Disaster Recovery Solution but is limited to off-site storage of selected TGIS data only.

Should the Client wish to expand its disaster recovery protection to include other systems or Client data not listed above, the Client may procure the Munsoft Extended Disaster Recovery Solution described below.

2. Additional Munsoft Responsibilities for the Munsoft Standard Disaster Recovery Solution:

- 2.1. Daily checks and management of the back-up platform, reporting on successes and failures and providing a support desk to assist with queries.
- 2.2. Monitoring and management of backups daily and logging and escalation of any failures.
- 2.3. Monitoring infrastructure upon which the Munsoft Standard Disaster Recovery Solution relies and reporting any issues that could impede the delivery of the Munsoft Standard Disaster Recovery Solution.
- 2.4. Providing a monthly summary of backups and exceptions report.
- 2.5. Providing daily reporting on backup failures and proposed resolutions.
- 2.6. Performing a full restore of the Client's data regularly onto a disaster back-up server.
- 2.7. Regular comparison of live data to recovered data to ensure data integrity.
- 2.8. In case of a disaster, provide the Client with access to recovered data via the Munsoft network or internet.

3. Client Responsibilities for the Munsoft Standard Disaster Recovery Solution:

- 3.1. Client must provide a list of designated persons (including ID number, cell number, email address land line) whom may initiate disaster recovery and inform Munsoft of any changes to the list.
- 3.2. Upon disaster recovery request or scheduled quarterly restore tests, the data must be verified and signed off by the designated contact at the Client.
- 3.3. Onsite assistance during a disaster recovery event or infrastructure failure will be required from Client IT personnel and the designated contact at client.
- 3.4. If Client has opted to not install the Munsoft MPLS link it is the responsibility of the Client to provide sufficient internet breakout for the transfer of data to the disaster recovery facility.
- 3.5. Should follow any reasonable disaster recovery process that may be requested by Munsoft.

Schedule J – Munsoft e-Services Solution

1. The Munsoft e-Services Solution

- 1.1. Munsoft can provide an e-Services solution that includes the following:
 - 1.1.1. The ability to send electronic municipal statements to Client consumers via e-mail, MMS and SMS;
 - 1.1.2. The ability to send electronic notifications (such as municipal notices, cut off letters and general communication) to Client consumers;
 - 1.1.3. Secure messaging to Client consumers “one to one” or “one to many” (for example individuals, groups or wards);
 - 1.1.4. Allowing Client consumers to register and login to a dedicated self-service portal to update and view personal information from the Client and the communications sent to them by the Client. Consumers can manage multiple municipal accounts from a single profile;
 - 1.1.5. The information used in the self-service portal is automatically pulled from the Munsoft Financial System and updated in a controlled and authorised manner into the Munsoft Financial System once consumers make changes;
 - 1.1.6. All consumer communications are logged, tracked and can be reported on by the Client. This function can also be used for auditing purposes;
 - 1.1.7. Help desk to report and track incidents;
 - 1.1.8. Training and training material for the Client to assist in using the Munsoft e-Services Solution;
 - 1.1.9. The Munsoft e-Services Solution is cloud based and is compatible with all popular web browsers;
 - 1.1.10. Consumers can elect how they receive communications, for example by mail, MMS or email.
- 1.2. The Munsoft e-Services Solution is only able to send communications where the Client consumer information is captured in the Munsoft Financial System.
- 1.3. Munsoft cannot be held responsible for the accuracy of consumer details captured on the Munsoft Financial System, nor communication sent out via the Munsoft e-Services Solution.
- 1.4. The Client remains liable for all communication charges, which charges are shown on Annexure A – Summary Cost Schedule.
- 1.5. Munsoft can assist with the sourcing and updating of cell phone numbers, however additional fees will apply.
- 1.6. Munsoft can also provide ad hoc electronic communication services to the Client, at an additional fee. Any such services should be negotiated between the Parties.

2. Munsoft e-Services Solution fees

- 2.1. Communication charges
- 2.2. The following communication charges are invoiced separately on a per use basis. All charges quoted exclude Value Added Tax and are subject to change on giving 30 days’ notice.
 - 2.2.1.SMS Charge - R0.30/SMS
 - 2.2.2.MMS Charge - R2.25/MMS
 - 2.2.3.Email Charge - R0.12/Email

Schedule P – HR and Payroll

The Services set out in this schedule are delivered by an independent proprietor on whose behalf Munsoft acts as an agent. Any Services procured in terms of this schedule will, in addition to the terms of the Agreement, be subject to the specific proprietor's standard terms. These terms will be made available upon request.

- Munsoft acts as an agent for both PayDay and VIP to provide the Payroll and HR related functionality as required in terms of the MSCOA Regulations.
- The exact extend of the payroll services must be negotiated by the Parties and will be charged for as per Annexure A or as per each Change Note.

Schedule Q – Munsoft Academy

The Munsoft Academy is a free e-learning service available to all staff members of the Client who has access to the System and can be accessed at www.munsoft-academy.co.za.

- a. The material on the Munsoft Academy website and the e-learning courses contained thereon are copyrighted. No part of the material on the website or of the e-learning courses may be copied, photocopied or reproduced in any form or by any means without the written permission of Munsoft.
- b. The Munsoft Academy is a hosted solution, and any user will require internet connectivity to access any of the material contained on the website and/or the e-learning courses.
- c. All data charges incurred because of using the Munsoft Academy will be for the account of the user.
- d. Every effort is made to keep the content on the Munsoft Academy website and e-learning courses relevant and current.

Schedule R – Munsoft Reporting

1. Description of schedule

Financial and other reporting forms an integral part of the Municipality and the services offered under this schedule allows for the automation of production for the National Treasury Returns and Budget Formats, Annual Financial Statements and Management Reporting.

2. Deliverables

#	NAME	DESCRIPTION	SELECTED (YES / NO)	NUMBER OF LICENSES
1.	National Treasury Returns & Budget Formats Template	This is used to generate Schedules A, B, C, D, E & F.	Yes	N/A
2.	GRAP Template for Municipalities	This is used to prepare GRAP compliant Annual Financial Statements.	Yes	N/A
3.	GRAP Consolidation Template for Municipalities	This is used to prepare GRAP compliant consolidated Annual Financial Statements (only applicable if consolidation is required between the Municipality and the Municipal Entity).	No	N/A
4.	mSCOA Template (MBRR)	This is used to generate Specimen Annual Financial Statements (only applicable if the Municipality is required to report on Specimen Annual Financial Statements).	No	N/A
5.	Baseline Software License	This is compulsory if (2) or (3) has been selected.	Yes	2

3. Schedule specific terms and conditions

- 3.1. The services set out in this schedule are delivered by Munsoft and an independent proprietor on whose behalf Munsoft acts as an agent. Any Services procured in terms of this schedule will, in addition to the terms of the Agreement, be subject to the specific proprietor’s standard terms. These terms will be made available upon request.
- 3.2. Any training and consulting services are specifically excluded from this schedule as the scope of work needs to be negotiated between Munsoft and the Municipality and is subject to the acceptance of a change note in terms of the Agreement or a purchase order from the Municipality.
- 3.3. Any consulting services are specifically excluded from this schedule as the scope of work needs to be negotiated between Munsoft and the Municipality and is subject to the acceptance of a change note in terms of the Agreement or a purchase order from the Municipality.

- 3.4. Any additional software licenses required are subject to the acceptance of a change note in terms of the Agreement or a purchase order from the Municipality.