

# PBX RENTAL TERM SERVICE AGREEMENT (FIVE YEAR PERIOD)

entered into and by

## TELKOM SA LIMITED

(Registration No: 1991/005476/06)  
(hereinafter referred to as "TELKOM")

hereinafter represented by S. Oberholster  
in his capacity as Account Manager,  
at the following physical address : 6<sup>th</sup> Floor,  
Standard Bank Building, Telkom Towers,  
Hertzog Boulevard, Cape Town

and

## Overberg Distriksmunisipaliteit

(Registration No: .....)

(hereinafter referred to as "the CUSTOMER")

hereinafter represented by Willeen Adriaan du Toit  
in his capacity as Municipal Manager  
at the following physical address : .....  
26 Lang Street  
Bredas dorp

(Jointly the "Parties")

**WHEREAS** the CUSTOMER wishes to rent a PBX system and associated value added product(s) from TELKOM;

**AND WHEREAS** TELKOM is willing to provide the Service(s) subject to the conditions as set out hereunder;

**NOW THEREFORE**, the Parties agree as follows:

## 1 PROVISION OF SERVICE

TELKOM hereby undertakes to install, provide and maintain the Service(s) as set out in the order form attached hereto, herein referred to as "Annexure A".

## 2 DEFINITIONS

**"Business Hours"**: means 07:00 till 17:00 Monday to Friday, excluding weekends and public holidays.

**"Commission"**: means that the Service(s) have been installed and are available for use by the CUSTOMER.

**"Downgrade"**: means the replacement of the existing PBX system with a smaller PBX system.

**"Effective Date"**: means the date on which this Agreement was signed by the Party who has signed it last in time.

**"Migrate"**: means the change from a two-year term to a three-year or five-year term or from a three-year to a five-year term during the minimum rental period of this Agreement.


**"Minimum Rental Period"**: means the term of this Agreement.

**"Service(s)"**: means the PBX system and associated equipment, products and services listed in the Schedule of Equipment in Annexure A, including telephone extensions situated on the same premises where the switching unit is situated.

**"Upgrade"**: means the change from one PBX system to a bigger or more advanced type of PBX system.

**"Standard Terms and Conditions"**: means Telkom's Standard Terms and Conditions for the Provision of Electronic Communication Services & Products

**"Outdoor Transfer"**: means the move of the Service(s) from one building to another on the same premises or from one premises to another.



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### 3 TERM

3.1 The Parties agree that the Service(s) referred to in clause 1 shall be rented for a period of five (5) years calculated from the date of Commissioning. Thereafter, this Agreement will automatically be renewed on a month-to-month basis, subject to either Party giving the other Party one (1) month's written notice of its intention to terminate this Agreement, or if the Minimum Rental Period of this Agreement is two years, the CUSTOMER may opt to enter into a three- or five-year agreement with TELKOM in respect of the relevant PBX system, or if the Minimum Rental Period is three years, the CUSTOMER may enter into a five-year agreement.

3.2 Should the CUSTOMER Migrate or Outdoor transfer the Service(s) in terms of clauses 6 and 7 respectively, the applicable term as indicated in these clauses, will apply.

3.3 This Agreement takes effect on Effective Date.

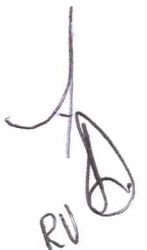
### 4 CONDITIONS

4.1 The CUSTOMER understands and accepts that the provision, transfer and migration of the Service(s) as set out in Annexure A attached hereto, shall be subject to the provisions of the Electronic Communications Act, 36 of 2005 (the Act), the licences issued to TELKOM and TELKOM's Standard Terms and Conditions, as amended from time to time and as filed with the Regulatory Authority. If there is any conflict between TELKOM's Standard Terms and Conditions and this Agreement, the terms and conditions of this Agreement shall prevail. The Standard Terms and Conditions are available at <http://www.telkom.co.za/>.

4.2 TELKOM SHALL NOT AT ALL BE LIABLE FOR ANY LOSS OR DAMAGE ARISING FROM A DELAY IN PROVIDING OR REPAIRING THE SERVICE(S) OR THE TOTAL OR PARTIAL INTERRUPTION OF THE SERVICE(S), EXCEPT AS IS SET OUT IN TELKOM'S STANDARD TERMS AND CONDITIONS

4.3 THE PARTIES FURTHER AGREE THAT THE RISK OF LOSS OR DAMAGE TO OR DESTRUCTION OF THE TELKOM EQUIPMENT INSTALLED ON THE CUSTOMER'S PREMISES, WHERE APPLICABLE, REGARDING THE PROVISION OF SERVICE(S) IN TERMS OF THIS AGREEMENT, SHALL PASS TO THE CUSTOMER FROM THE DATE THE SERVICE(S) IS INSTALLED.

4.4 The CUSTOMER hereby acknowledges that there are no circumstances arising out of or in connection to this Agreement whereby it obtains any contractual rights to require that the title in the equipment be transferred to it at any time.



## 5 INSTALLATION AND RENTAL CHARGES

5.1 The CUSTOMER undertakes to pay TELKOM the prescribed installation charge and rental as set out in Annexure A attached hereto and as published in TELKOM's Tariff List less the percentage discount on rental indicated in Annexure A, monthly in advance, from the date the Service(s) is Commissioned, which shall be subject to adjustments from time to time, as lodged with the Regulatory Authority. The discount on rental will apply during the term of this Agreement and TELKOM reserves the right to change or cease to grant the discount after expiry of the Minimum Rental period. For the avoidance of doubt, the discount is not applicable to exchange lines, tie-lines or any other network service related rentals.

5.2 Should the CUSTOMER, however, requests TELKOM to install the Service(s) outside of Business Hours, the installation will be carried out at the prescribed installation charge set out in Annexure A plus forty percent (40 %).

5.3 The CUSTOMER shall pay all charges on or before the due date indicated on the account rendered by TELKOM.

## 6 MIGRATION

The CUSTOMER may in terms of this Agreement, Migrate the Service(s) to an agreement with a longer term without any penalty. In such event, the CUSTOMER shall enter into a new agreement with TELKOM for the longer term. This Agreement, however, shall remain in force and effect up to and including the Effective Date of the new Agreement. This Agreement shall be cancelled on the date following the Effective Date of the new agreement. The rental ceasing date of the Service(s) in respect of this Agreement, however, shall be the Effective Date of the new agreement.

## 7 TRANSFER OF SERVICE

7.1 Should the CUSTOMER Outdoor Transfer the Service(s), the remainder of the rental period of this Agreement remains in force and effect. The CUSTOMER shall in terms of clause 5, pay the prescribed charges for the provision of the new service.

7.2 Should the CUSTOMER, however, requests TELKOM to transfer the Service(s) outside of Business Hours, the transfer will be carried out at the then prescribed installation charge plus forty percent (40 %).

7.3. The written request from the CUSTOMER for an Outdoor Transfer and TELKOM's written confirmation that the request in terms of clause 7.1 has been approved by TELKOM, shall form an integral part of this Agreement for the purposes of clause 16.

## 8 UPGRADE

8.1 The CUSTOMER may Upgrade the Service(s) without any penalty. The remainder of the rental period of this Agreement will be applicable to the upgraded

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service. The CUSTOMER shall in terms of clause 5, pay the prescribed charges for the provision of the new service.

8.2 The written request from the CUSTOMER for an Upgrade and TELKOM's written confirmation that the request in terms of clause 8.1 has been approved by TELKOM, shall form an integral part of this Agreement for the purposes of clause 16.

## 9 DOWNGRADE

A request to Downgrade the Service(s) will be regarded as a request to terminate this Agreement and shall be dealt with in terms of clause 11.2.

## 10 AUGMENTATION

10.1 The CUSTOMER may augment the Service(s) by requesting TELKOM to install additional PBX related products and/or services on the PBX system or by terminating some of the products or services on the PBX system. The CUSTOMER shall in terms of clause 5, pay the prescribed charges for the provision of any additional products and/or services.

10.2 The written request from the CUSTOMER to augment the Service(s) and TELKOM's written confirmation that the request in terms of clause 10.1 has been approved by TELKOM, shall form an integral part of this Agreement for the purposes of clause 16.

10.3 Notwithstanding clause 11.2, the CUSTOMER may downsize the Service(s) with a maximum of twenty percent (20 %) of the original contracted rental amount. In the event of an Upgrade, the rental amount of the Service(s) as reflected in the Schedule of Equipment of the new PBX system, will become the original contracted rental amount. The Schedule of Equipment of the new PBX system will be attached to this Agreement as Annexure A1.

10.4 Should TELKOM adjust the monthly rental of the Service(s) in terms of clause 5.1, the original contracted monthly rental amount will be adjusted with the average percentage with which TELKOM has adjusted the rental of the Service(s). From the effective date of the rental adjustment, the twenty percent (20 %) with which the CUSTOMER may downsize the Service(s), will be calculated on the adjusted contracted rental amount.

10.5 Should the CUSTOMER downsize the Service(s) with more than twenty percent (20 %) of the original contracted rental amount, the termination of the equipment, product or service shall be dealt with in terms of clause 11.2

## 11 TERMINATION OF SERVICE

11.1 THE CUSTOMER SHALL ACCEPT FULL RESPONSIBILITY FOR ALL REASONABLE ABORTIVE COSTS AND EXPENSES INCURRED BY TELKOM IN

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TERMS OF THIS AGREEMENT AND UNDERTAKES TO PAY THE COSTS TO TELKOM, SHOULD THE CUSTOMER CANCEL THE ORDER FOR THE PROVISION OF THE SERVICE(S), AS SET OUT IN ANNEXURE A ATTACHED HERETO, AFTER THE EFFECTIVE DATE OF THIS AGREEMENT AS SET OUT IN CLAUSE 3.3, OR EFFECT ANY CHANGES REGARDING THE INSTALLATION OF THE SERVICE(S).

11.2 SHOULD THIS AGREEMENT BE TERMINATED FOR WHATEVER REASON OTHER THAN AS A RESULT OF BREACH BY TELKOMIN RESPECT OF ANY OF THE EQUIPMENT, PRODUCTS OR SERVICES LISTED IN ANNEXURE A ATTACHED HERETO, PRIOR TO THE EXPIRY OF THE MINIMUM RENTAL PERIOD OF THIS AGREEMENT, THE CUSTOMER SHALL BE OBLIGED TO PAY ON TELKOM'S DEMAND THE FULL OUTSTANDING RENTAL PAYABLE FOR THE REMAINING PERIOD OF THIS AGREEMENT, WHICH AMOUNT SHALL BE DUE AND PAYABLE UPON RENDERING OF AN ACCOUNT BY TELKOM.

11.3 The termination of this Agreement for any other reason will be dealt with in terms of condition 4 and 11 of Telkom's Standard Terms and Conditions.

## 12 DOMICILIUM CITANDI ET EXECUTANDI

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

## 13 ASSIGNMENT

Neither Party may sell, assign, cede or transfer this Agreement or any rights in terms of this Agreement or any portion thereof, without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

## 14 NO WAIVER

Failure by either Party to exercise any rights under this Agreement in any one or more instances will not constitute a waiver of such rights in any other instance. Waiver by such Party of any default under this Agreement will not be deemed a waiver of any other default. No alteration or modification of any provision of this Agreement will be deemed a waiver of any other default.

## 15 APPLICABLE LAW

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

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16 **ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the Parties and supersedes any prior written or oral agreement or understanding with respect to the subject matter hereof. No interpretation, amendment, or change to this Agreement will be effective unless made in writing and signed by both Parties.

A handwritten signature in black ink, consisting of a stylized, cursive script.

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

SIGNED at .....on this ..... day of ..... 2012.... in the presence of the undersigned witnesses

WITNESSES

TELKOM SA LTD

1. \_\_\_\_\_  
SIGNATURE  
  
\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SIGNATURE  
  
\_\_\_\_\_  
PRINT NAME

2. \_\_\_\_\_  
SIGNATURE  
  
\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
TITLE  
  
\_\_\_\_/\_\_\_\_/\_\_\_\_  
DATE

WITNESSES

TELKOM SA LTD

1. \_\_\_\_\_  
SIGNATURE  
  
\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SIGNATURE  
  
\_\_\_\_\_  
PRINT NAME

2. \_\_\_\_\_  
SIGNATURE  
  
\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
TITLE  
  
\_\_\_\_/\_\_\_\_/\_\_\_\_  
DATE

SIGNED at Breda on this 2 day of October 2012.... in the presence of the undersigned witnesses

WITNESSES

CUSTOMER

1. \_\_\_\_\_  
SIGNATURE  
  
JJ BURGER  
PRINT NAME

\_\_\_\_\_  
SIGNATURE  
  
W. A. du Toit  
PRINT NAME

2. \_\_\_\_\_  
SIGNATURE  
  
R. Volschenk  
PRINT NAME

\_\_\_\_\_  
TITLE  
Municipal manager  
  
\_\_\_\_/\_\_\_\_/\_\_\_\_  
DATE  
2/10/2012





# Telkom Business

## 2. Conditions

- 2.1 The charges contained in this quotation are only indicative and is subject to amendment and final approval by Telkom.
- 2.2 Telkom does not accept any liability or responsibility for any special, indirect or consequential damages or any other damages whatsoever occasioned by your use of this information.
- 2.3 Telkom reserves the right to refuse to provide the service if you fail to meet the conditions of Telkom's credit referencing procedure.
- 2.4 The provision of the product(s)/service(s), as set out above, shall be subject to the provisions of the Electronic Communications Act 36 of 2005, the licenses issued to Telkom and Telkom's Standard Terms and Conditions for the provision of electronic communications services (Telkom's conditions), as amended from time to time and as filed with the Regulatory Authority in terms of Telkom's electronic communications services license.

## 3. Declaration and Signature

- 3.1 By accepting this quotation I/we understand and accept that I/we place an order for the provision of the product(s)/service(s).
- 3.2 I/We confirm that I/we am/are duly authorised to accept this quotation and order the product(s)/service(s) on behalf of the party who requests the product(s)/service(s).
- 3.3 I/we confirm that I/we have read, understand and accept Telkom's conditions.
- 3.4 I/we accept and understand that upon Telkom's approval, this signed order will constitute a binding agreement.

### Acknowledgement by Customer

|  |                               |
|--|-------------------------------|
| Quotation accepted by (Initials and Surname) | W. A. du Toit                 |
| Signature                                    |                               |
| Capacity                                     | Acting Municipal Manager      |
| Date   | 2/10/2012                     |
| Name of registered customer                  | Oosberg District Municipality |
| Business registration number/ID number       | NA                            |
| VAT registration number                      | 0218592367                    |
| I/we require the product(s)/service(s) on:   | 5/10/2012                     |
| Domain name required (if applicable)         | ODM                           |
| Alternative domain name (if applicable)      |                               |

W. A. DU TOIT

Telkom SA Limited: Reg no 1991/005476/06

Directors: PL Zim (Chairman), NT Moholi (Group Chief Executive Officer), JH Schindehütte (Chief Financial Officer), NP Dongwana, B du Plessis, JN Hope, RJ Huntley, N Kapila\*, I Kgaboesele, PCS Luthuli, NP Mnxasana, J Molobela, Dr. SP Sibisi, Y Waja

Company Secretary: ML Lephadi

\*India

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