



SERVICE LEVEL AGREEMENT

Entered into by and between:

RICHMOND LOCAL MUNICIPALITY

A Local Municipality established in terms of the provisions of the Local Government

Municipal Structures' Act No. 117 of 1998

(Herein represented by **B.E MSWANE** in his capacity as the **Municipal Manager**)

(Hereinafter referred to as "**The Municipality**")

And

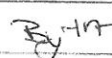
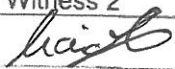
SHOSPEC (PTY)LTD

REGISTRATION NUMBER: 1999/027305/07

(A Private Company duly registered in terms of the laws of South Africa, having its main place of business at 25 Roger De Clerck Place, Mkondeni, Pietermaritzburg 3209 and duly represented herein by Mr Yugendrew Naidu , in his capacity as Managing Director and an authorised signatory herein)

(Herein referred to as "**The Service Provider**")

TENDER NUMBER: RLM-18/2024/2025: CALL FOR PROPOSAL FOR THE SERVICE PROVIDERS SPECIALIZING IN SHOPFITTING ON A TURNKEY MANAGEMENT SERVICES

Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

1. INTRODUCTION

It is recorded that:

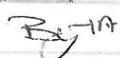
- 1.1. The Municipality called for suitably qualified service providers specializing in shopfitting on a turnkey management service under Tender No: RLM-18/2024/20225
- 1.2. The Municipality, in terms of its Supply Chain Management procedures awarded and appointed Shospec (Pty) Ltd (the Service Provider) as the preferred bidder in terms of the Letter of Appointment dated 02 July 2025 attached hereto and marked Annexure "A";
- 1.3. Service Provider and the Municipality (herein referred to as the Parties) have reached an agreement on the terms and conditions which will regulate the provision of the services and wish to reduce their agreement to writing as follows:

WHEREFORE

The Parties record their terms and conditions of agreement set out in this Contract.

2. INTERPRETATION

- 2.1 The headings of the clauses in this Contract are for the purpose of convenience and reference only and shall not be used in the interpretation of or modify the terms of this Contract nor any clause thereof unless a contrary intention clearly appears.
- 2.2 Words importing –
 - 2.2.1 the singular includes a reference to the plural and vice versa.
 - 2.2.2 any one gender includes a reference to the other genders,
 - 2.2.3 a natural person includes a reference to a juristic person and vice versa.

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

2.3 Where any term is defined within the context of any particular clause in this Contract, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Contract, notwithstanding that that term has not been defined in this interpretation clause.

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

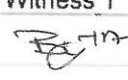
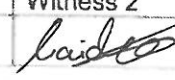
2.4.1 **"Agreement Price"** means the total amount of fees that will be charged by the Service Provider, including disbursements and VAT, for the performance of Services in terms of this Agreement and as awarded under Tender RLM-18/2024/2025,

2.4.2 **"Bill of quantities"** means the document drawn up according to the measuring system as stated in the schedule. The contractor shall have priced the document to reflect the contract sum.

2.4.3 **"Breach"** means failure to perform on any obligation set out in this Agreement,

2.4.4 **"Business Day"** means a day, other than a Saturday, Sunday or public holiday in South Africa;

2.4.5 **"Designated Representatives"** means officials duly delegated and/ or assigned to the implementation / enforcement of this Agreement on behalf of the Parties. Either Party may replace such designated representative (as applicable) from time

Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

to time on reasonable prior written notice to the other Party;

2.4.6 **"Certificate of Final Completion"** means a certificate issued by principal agent to the contractor stating the date on which final completion of the work was achieved.

2.4.7 **"Certificate of Practical Completion"** means a certificate issued by the principal agent to the contractor stating the date on which practical completion of the work was achieved.

2.4.8 **"Certificate of Work Completion"** means a certificate issued by the principal agent to the contractor stating the date on which work completion was achieved.

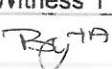
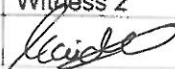
2.4.9 **"Contract Data"** means this document, the contract drawings, the bill of quantities/ lump sum document and such other documents as are identified in the schedule.

2.4.10 **"Construction Period"** means the period commencing on the date on which possession of the site is given to the contractor as stated in the schedule and ending on the date of practical completion.

2.4.11 **"Effective Date"** means the date of confirmation of appointment being site handover, notwithstanding the signature date of the last Party signing this Agreement;

2.4.12 **"Expenditure Accountant"** shall mean the Manager appointed and reporting to the Council of the

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

Municipality.

2.4.13 **"Guarantees"** shall mean Advance Payment Guarantee at call obtained by the contractor from an institution approved by the Municipality on the JBCC Advanced Payment Guarantee form for the amount as stated in the schedule.

2.4.14 **"Lump Sum"** means the amount tendered for an item, the extent of which is described in the Bill of Quantities, the specifications or elsewhere but the quantity of work of which is not measured in any units;

2.4.15 **"Parties"** means the Municipality and the Service Provider;

2.4.16 **"Project"** means the services to be performed by the Service Provider in terms of the requirements and the corresponding obligations to be fulfilled by the Service Provider;

2.4.17 **"Practical Completion"** mean the stage of completion where, in the opinion of the principal agent, completion of the works has substantially been reached and can effectively be used for the purpose intended.

2.4.18 **"Quantity"** means the number of units of work for each item;

2.4.19 **"Rate"** means the payment per unit of measurement

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

at which the Service Provider tenders to do the work.

2.4.20

"Service Provider" means Shospec (Pty) Ltd.

2.4.21

"Service Level Agreement" means a Service Level Agreement creating a legally binding and enforceable agreement setting out the terms and conditions upon which the Parties have reached consensus about the provision of Service for the Municipality. This agreement shall specifically include annexures, and all other documents expressly incorporated into this Agreement, in their prevailing form from time to time;

2.4.22

"Site" means the land or place on, over, under, in or through which the works is to be executed as defined in the contract data;

2.4.23

"SPWP" means Special Public Works Programme;

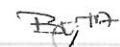
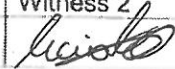
2.4.24

"Unit" means the unit of measurement for each item of work as defined in the specification

3. OFFER, ACCEPTANCE AND PERFORMANCE OBLIGATIONS

- 3.1. The objective of this contract is the execution of and the payment for the work for which there has been an offer by the Municipality and an acceptance thereof by the Service Provider.
- 3.2. In pursuance of the objective the parties undertake to carry out their reciprocal obligations.

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4. LEGISLATIVE FRAMEWORK AND DOCUMENTS

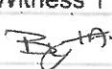
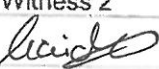
- 4.1. This Contract is subject to the following Legislative Framework:
- 4.1.1. The requirements of the CIDB, SABS 1200, SANS1921, GCC 2015, COLTO, EPWP, JBCC, subsequent amendments thereto and their referring specifications relating to their relevant clauses.
- 4.1.2. The EPWP Beneficiary Engagement Policy.
- 4.1.3. The Ministerial Determination applicable throughout the implementation of this agreement, noting possible amendments to the labour rate, SPWP, issued in terms of the Basic Conditions of Employment Act of 1997 by the Minister of Labour Government Notice no. R63 of 25 January 2002.
- 4.2. The Municipality promotes the services of Local Enterprise located within the boundaries of Richmond Municipality in terms of its Local Economic Initiatives and the Contractor shall source all materials and labour (skilled and unskilled) within the boundaries of the Municipality. Documentary proof will be required to justify material and labour (skilled and unskilled) that is not sourced locally.
- 4.3 The Municipality shall provide a payment guarantee where required by the Contractor in the accepted tender. The guarantee shall be according to all relevant JBCC Payment Guarantee form in the amount as stated in the contract schedule and shall be provided within twenty-one (21) calendar days of acceptance of this tender. Such security shall be for the due fulfilment of the Municipality's liability only and the Contractor hereby waives all common law rights to recover from or set-off against such security.

5. SERVICE PROVIDER RESPONSIBILITIES

- 5.1. The Service Provider is to implement the project, be responsible for all aspects of the project and shall deliver quality full end service in line with this contract.
- 5.2. The Service Providers scope of work entails the following:

- 5.2.1 Service providers specializing in shopfitting on a turnkey management services complying with the following specification.

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

- Design and drawings, submission of project plan, project implementation and supervision.

5.2.2 The Service Provider should provide tangible proof of it's capacity and competency to handle high volume of request and to execute them effective and timeously. In this regard a detailed schedule of the resources allocated in this bid together with an indication of availability, skills and experience is essential.

5.2.3 The Service Provider should ensure that all materials, labour (skilled and unskilled) be sourced locally. Only if all sourcing materials, labour (skilled) has been exhausted in the Municipality, will sourcing outside of the Municipality be justified.

5.3. In the execution of the project, the Service Provider shall ensure that it is timeous in the performance of its obligations in terms of this agreement.

6. SERVICES TO BE RENDERED

6.1. The Service Provider shall be responsible for the following:

6.1.1 A) Strip/Demo works

- Strip ceilings, partitions, doors, carpets, counters and cabinets

B) Partitions and doors

Reception

- New Drywall to reception
- Clear safety glass
- Office entrance door
- Reception office door

C) Managers Office (1+2+3)

- New Drywall between offices
- Arched Aluminium Shopfront
- Aluminium shopfront
- Office doors

Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

D) Managers Office (4)

- Office Door

E) Server Room

- Office Door

F) Canteen

- Office Door
- External side hung window

G) Ceiling

- New ceiling to replace gypsum ceilings

H) Electrical works

I) Plumbing Works

J) Flooring

K) Data

- Supply and install the below 30x IT points including all connections, terminations, fly leads, cable labelling, stripping, Cabling.

L) Painting Works

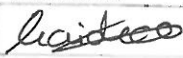
- Painting interior of new proposed office layout
- NB: All roof leaks need to be remedied prior to painting

M) Aircons

- Remove nonfunctioning aircons
- Relocated existing units
- Repair aircon units
- New aircon units
- Power supply

N) Cupboards

- Demo/move
- Foyer

Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

- Ex Reception
- Manager Office (1,2,3)
- Main Passage
- Meeting Area
- Passage to office area
- Kitchen

O) Building Works

- Demolish toilet block in passage to open plan office and make good walls, close of plumbing and remove sanware.
- Demolish brick walls as per drawings
- Create new opening in brick walls as per drawings
- New brick work and plastering as per drawings
- Rubble remove, deliveries.

P) extension of scope- variation order

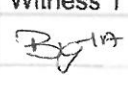
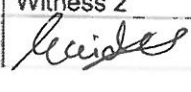
- Temporary partition/screen- supply and installation of partition screens made from white melamine board withs teel support stands
- Electrical works- installation of dedicated circuits, plug points, consuits, trunking, and testing.
- Data installation- provision and installation of IT points, patch panels, POE switch, wall mount cabinet, cabling, terminations and related sundries.
- Flooring protection- placement of Berber point carpet to protect existing floor surfaces in required areas.

6.1.2 ensuring that all materials, labour (skilled and unskilled) be sourced locally.

6.1.3 The Service Provider undertakes to provide the services within the applicable time period(s) set out in the appointment letter and project plan unless prior written consent of the Municipality has been obtained for an extension of time.

6.2. The service provider must ensure that it undertakes the activities outlined in the scope of works set out as the project brief of this project.

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

- 6.3. The scope of works as set out in the project tender document for this project shall be the Terms of Reference by which the service provider shall be monitored and measured.
- 6.4. The scope of work as set out in the tender data may be amended by mutual agreement between the Service Provider and the Budget and treasury Department subject to:
- 6.4.1 The general scope of work not being materially altered in so far as: The service provider shall execute and complete the work in accordance with the Contract Documents consisting of the following
- (a) The tender and appendix to tender;
 - (b) The Standard conditions of tender;
 - (c) The general conditions of the contract;
 - (d) The special condition of contract;
 - (e) Agreement and contract data;
 - (f) Pricing data;
 - (g) Scope of Work;
 - (h) Site Information;
 - (i) All forms, certificate and schedules to be completed by the tender;
 - (j) Construction drawings;
 - (k) Tender drawings;
 - (l) Any addenda issued before the tender closing date and incorporated in the tender; and
 - (m) The letter of acceptance

7. AUTHORISED REPRESENTATIVES

- 7.1. The Municipality hereby appoints **Mr. M Ngcobo** to serve as a liaison officer between the respective parties for the purpose of amongst other functions, monitoring the services, issuing instruction, taking reports from the service provider, evaluating work delivered, receiving, and certifying invoices for payment for work duly delivered and for payment, et al.

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

- 7.2. The Municipality warrants that the only person officially authorised to sign any legal document including this contract on behalf of the Municipality, is **Mr. B.E Mswane** in his capacity as the **Municipal Manager** and as a duly authorised signatory to this contract.
- 7.3. The Service Provider hereby appoints **Mr Yugendrew Naidu** as its duly authorised representative to serve as a liaison officer between the respective parties, in her capacity as a Director.
- 7.4. The Service Provider warrants that **Mr Yugendrew Naidu** in his capacity as the director of **Shospec (Pty) Ltd** is duly authorised to sign this contract on behalf of the Service Provider.
- 7.5. The said persons referred to in paragraphs 7.2 and 7.4 respectively may execute any document that is required or is permitted to be executed, under this Contract.

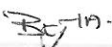
8. TAXES AND DUTIES

Unless otherwise specified, the Service Provider and sub-consultants shall pay such taxes, duties and fees, as may be levied in terms of South African legislation, the amount of which is deemed to have been included in the fees/price.

9. FORCE MAJEURE

- 9.1 Subject to the following provisions of this clause, no party shall be responsible to the other for its failure to perform or any delay in performing any obligation under this agreement in the event and to the extent that such failure or delay is caused by *force majeure*.
- 9.2 For the purposes of this agreement *force majeure* shall mean any circumstance which is beyond the reasonable control of the party giving notice of *force majeure* ("the affected party"), including but not limited to war (whether declared or not), revolution, invasion, insurrection, riot, civil commotion, mob violence, sabotage, blockade, embargo, boycott, the exercise of military or usurped power, fire, explosion, theft,

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

storm, flood, drought, wind, lightning or other adverse weather condition, epidemic, quarantine, accident, breakdown of machinery or facilities, strike, lockout or labour dispute, acts of restraints of government imposition, or restrictions of or embargoes on imports or exports, but shall exclude any breakdown and non-operation of the service providers equipment.

9.3 Notwithstanding the provisions of clause 9.1, a labour dispute, strike or lockout which could be resolved by the affected party acceding to the demands made of it, shall be deemed to be an event of force majeure.

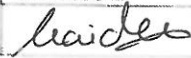
9.4 The affected party shall give notice thereof to the other promptly upon the occurrence of an event of force majeure.

10. BREACH

10.1. In the event of the defaulting Party failing to comply with its obligations in terms of this Contract for which no specific remedy has been provided, the aggrieved Party may, by written notice addressed to the defaulting Party, require the defaulting Party to remedy its breach within 5 (five) business days of the date of such notice or should either Party commit any act of insolvency or be placed under judicial management or be wound up compulsorily or pass a resolution to wind up voluntarily or compromise generally with its creditors, or commit or suffer the commission of any breach of any of the terms and conditions of this agreement which by its nature cannot be remedied within a reasonable period of time, on more than one occasion, the other Party shall be entitled to notwithstanding any previous waiver or indulgence granted to the defaulting Party, at its election, in addition to any other remedies which it may have, to terminate this agreement.

10.2 If the defaulting Party fails to remedy its breach within the aforesaid period, the aggrieved Party may, without prejudice to any rights it may otherwise have against the defaulting Party, either—

10.2.1 claim specific performance of the obligations of the defaulting Party, in terms of this Contract; or

Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

10.2.2 cancel this Contract and recover damages for breach of contract, from the defaulting Party where such breach is material.

11. TERMINATION

11.1. The Municipality may, on not less than 5 (five) business days' written notice of termination to the Service Provider, terminate the provision of any Services, should—

11.1.1 The Service Provider fail to remedy a failure in the performance of the Services hereunder, within 5 (five) business days of receipt of such notice, or within such further period as the Municipality may approve, in writing;

11.1.2 The Service Provider fail, in the absence of any review or appeal proceedings, to comply with any final decision reached as a result of any legal or arbitration proceedings;

11.1.3 as a result of *force majeure*, the Service Provider be unable to perform a material portion of the Services for a continuous period of not less than 60 (sixty) business days;

11.1.4 The Service Provider, in the judgement of the Municipality has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For purposes of this clause;

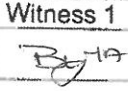
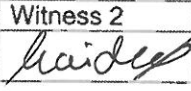
11.1.5 The Municipality, in its sole discretion, and for any reason, whatsoever, decides to terminate the Contract;

11.1.6 Should the Municipality terminate the Contract, pursuant to the provision of clause 11.1.4, the Municipality may withhold the payment of all outstanding fees and disbursements payable to the Service Provider resulting from practises emanating from clause 11.1.4;

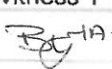
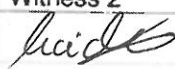
11.1.7 Should the Municipality terminate the contract pursuant to the provisions of Clauses 11.1.3 and clause 11.1.5 the Municipality will be liable for the payment of all outstanding fees and disbursements payable to the Service Provider, as at the date of such termination.

11.2 Where this contract is terminated the following shall apply:

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

- 11.2.1 The employment of the Service Provider shall be terminated, and execution of the works shall cease. The Service Provider shall remain responsible for the works until possession is relinquished to the municipality;
 - 11.2.2 The Municipality shall forthwith compile a report on the status of the portion of the works executed by the Service Provider and shall issue such report to the parties;
 - 11.2.3 The Municipality shall timeously commence and complete a final account;
 - 11.2.4 The Service Provider shall not be relieved of any of its liabilities concerning that portion of the works executed by the Service Provider;
 - 11.2.5 The municipality may employ other parties to safeguard the works, complete the outstanding work and to rectify defected in that portion of the works executed by the Service Provider. The cost of work thus carried out shall be certified by the Municipality and paid direct to such parties;
 - 11.2.6 The municipality may use this Service Provider materials and goods, temporal buildings, plants and machinery on the site for proceeding with the works;
 - 11.2.7 Where applicable the municipality shall be entitled to apply the penalty up to the date of termination and thereafter may recover damages from the Service Provider including, but not limited to, extra costs incurred in the completion of the outstanding work;
 - 11.2.8 Where the current practical completion date has not occurred the municipality may recover damages;
 - 11.2.9. The Municipality shall continue to issue interim payment certificates in nil amount until the quantum of damages has been determined and the final account has been completed. The final payment certificate shall den be issued; and
 - 11.2.10 The latent defects liability period shall end.
- 11.3 The right to termination may not be exercised where the municipality is in material breach of this agreement.

Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

12. ASSISTANCES BY THE MUNICIPALITY

The Municipality shall use its best endeavours, to assist the Service Provider to render the services and shall make available to the Service Provider any service and /or facility, as may be agreed upon.

13. CONFLICT OF INTEREST

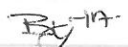
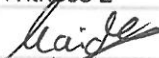
Neither the service provider, nor the sub-consultants or personnel shall engage, either directly or indirectly, during this Contract, in any business or activities that would be in conflict with the activities assigned to them in terms of this Contract.

14. PAYMENT FOR SERVICES

- 14.1 The price at which the Service Provider for Call for proposal for the service providers specializing in shopfitting on a turnkey management services has been quoted by the service provider to the Municipality at the sum of **R1 349 827.70 (ONE MILLION, THREE HUNDRED AND FOURTY NINE THOUSAND, EIGHT HUNDRED AND TWENTY SEVEN RAND SEVENTY CENTS ONLY)** Exclusive of VAT, which has been accepted by the Municipality. The following table the prices accepted by the municipality, discount and variation order which was approved by as per letter dated 10 September 2025

CALL FOR PROPOSAL FOR THE SERVICE PROVIDERS SPECIALIZING IN SHOPFITTING ON A TURNKEY MANAGEMENT SERVICES	R 1 349 897.70
VAT@ 15%	R 202 474.16
TOTAL	R 1 552 301.86
LESS DISCOUNT @6.5%	(R 101 281.31)
VARIATION ORDER	R 226 360.25
VARIATION ORDER VAT @ 15%	R 33 954.04
TOTAL	R 1 711 334.84

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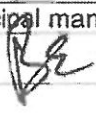
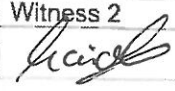
Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

- 14.2 The Municipality shall pay the Service Provider by no later than 30 days of presentation of a valid tax invoice and the required supporting documents and/ or vouchers in respect of services rendered by the Service Provider.
- 14.3 The Municipality shall not pay value-added tax ("VAT") unless the Service Provider has furnished the Municipality with proof of its registration for VAT and its VAT registration number.
- 14.4 The Municipality shall not pay to the Service Provider any amount, which exceeds the amount specified in a quotation given by Service provider as applicable, unless the parties have agreed in advance in relation to any varied payment.
- 14.5 Invoices to be submitted to the Municipality by the Service Provider must include all costs as applicable and any other costs incidental and/or related to the rendering of the service.
- 14.6 Payment shall be made as follows:
- 14.6.1 The service provider will submit the invoice with supporting documents to the municipality;
- 14.6.2 The Municipality's authorised representative will verify and confirm the accuracy of the invoice and certify the invoice for payment;
- 14.6.3 The invoice will be certified for payments and payments shall be made to the service provider's nominated bank account.
- 14.7 In the event that the Expenditure Accountant (SCM) is not satisfied with the performance, or any service rendered by the Service Provider as contemplated in the scope of the Services, the Expenditure Accountant (SCM) shall give notice to this effect to the Service Provider providing sufficient detail and reasonable time frame to enable the Service Provider to rectify such performance.

15. UNDERTAKING BY THE SERVICE PROVIDER

- 15.1. The Service Provider undertakes to-
- 15.1.1 execute the services and carry out all contractual obligations with due diligence, efficiency and economically, in accordance with generally accepted professional techniques and practices;

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

15.1.2 always act as a conscientious advisor to the Municipality and will at all times support and safeguard the legitimate interests of the Municipality in any dealings with third parties in respect of any matter relating to this contract;

15.1.3 acknowledge the statutory functions and duties of the Municipality and undertakes to perform its obligations under this contract in a manner that will not in any way detract from the image and reputation of the Municipality; and

15.1.4 ensure that the skills transfer takes place to encourage and support the development of professional technology, competence, with high standards of performance amongst Municipal Officials.

16. AGENCY AND REPRESENTATION

16.1 This contract does not confer on the Service Provider any right of agency or representation of the Municipality or to hold out that it has a special relationship with the Municipality. Any representation to this effect by the Service Provider will constitute a material breach of this contract.

16.2 The Service Provider does not have the authority to incur any debt or other liability or to obtain any credit facilities in the name of or on behalf of the Municipality, without the prior written authority of the Municipality.

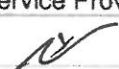
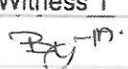
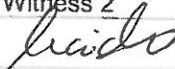
16.3 Nothing in this contract must be construed as constituting a contract of employment between the Service Provider and the Municipality who by their signatures to this contract acknowledge that no such relationship exists.

17. CONFIDENTIALITY

17.1 For the purposes of this clause, confidential information includes any information or knowledge acquired by the Service Provider in the course of or incidental to providing the services to the Municipality in terms of this contract, whether such information originates from the Municipality or from other persons.

17.2 The Service Provider may not, directly, or indirectly, disclose any confidential information relating to the affairs of the Municipality to anyone except those persons authorised to have access to such information, or use such confidential information,

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

unless for a purpose authorised by the Municipality or by law. If there is any doubt whether any disclosure or use is for an authorised purpose, the Service Provider must obtain a ruling in writing from the Municipality and must abide by it.

- 17.3 The obligation not to disclose or use confidential information contemplated in clause 17.2 will survive the termination of this contract, but the prohibition on disclosure will not apply to confidential information, which is already in the public domain, other than as a result of being divulged by the service provider.

18. PROPERTY OF THE MUNICIPALITY

- 18.1 All material required by the service provider related to artwork, which the organisation has paid for shall remain the property of the municipality.
- 18.2 Upon the termination of this contract for any reason, the Service Provider must immediately return to the Municipality all property whatsoever which belongs to the Municipality.
- 18.3 In addition, the Service Provider must return to the Municipality all other material containing information relating to the affairs of the Municipality, regardless of whether or not such material was originally supplied by the Municipality, including, but not limited to, designs, records, discs, accounts, letters, notes or memoranda.

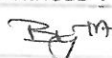
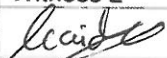
19. INDEMNITY

- 19.1 During and after this contract –

19.1.1 the Service Provider will keep the Municipality indemnified against all indirect and consequential and special or direct losses and damages and expenses and costs and claims including, but not limited to, legal fees and expense suffered by the Municipality or any third party where such loss or damage or expense or cost is the result of any wrongful action or omission or negligence or breach of any contract by the Service Provider or its employees and /or its agents; and

19.1.2 The Municipality will not be liable for any loss incurred by the Service Provider as a result of any unnecessary or irrelevant work done by the Service Provider including work done after an extension.

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

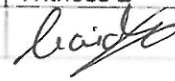
20. DURATIONS OF CONTRACT

- 20.1 Notwithstanding the date of signature hereof, the parties have agreed that this contract commences on the date of site handover 01 October 2025 to the Service provider and shall remain in effect until the completion of the works which shall not be longer than a period of three (3) months, and that the duration is based on the terms as set out in the Municipal Finance Management Act, Act No. 56 of 2003 (The MFMA).
- 20.2 The contract is not automatically renewable upon the end of three-month period and should be considered terminated at contract expiry.
- 20.3 In the event of the service not being concluded within the duration of this contract then both parties may in writing consent to an extension of this contract for a period until such time as both parties have discharged all of their obligations in terms of the contract and as per the MFMA.

21. GENERAL

- 21.1 This contract constitutes the entire contract between the parties.
- 21.2 This contract wholly supersedes and replaces any previous contracts concerning the provision of services by the Service Provider to the Municipality, which may have come into existence between the parties prior to the signing of this contract, and irrespective of whether such previous contracts came into existence through conduct, orally or in writing.
- 21.3 On entering this contract, no party relies on any warranties, representations, terms, conditions, disclosures or expressions of opinion in respect of matters dealt with in this contract that are not contained in this contract.
- 21.4 No relaxation, extension or indulgence which a party may grant to any other constitutes a waiver of any right of that party or a novation of any term of this contract and does not preclude that party from exercising any right which may have arisen in the past or which arises in the future.
- 21.5 No variation, suspension, deletion, amendment or modification of this contract, including this clause, is of any force or effect, unless recorded in writing and signed

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

by the parties, and is effective only in the specific instance and for the purpose and to the extent set out.

- 21.6 This contract may not be ceded or assigned nor the rights in terms of this contract pledged or made over to any other person.

22. DOMICILIUM ADDRESS AND NOTICES

- 22.1. The parties choose as their addresses for the purposes of this contract, the addresses set out below, and any party may change its *domicilium* as aforesaid by written notice to the other party, which change will take effect seven (7) days after the date of receipt or deemed receipt of such notice. The changed address must be a physical address:

RICHMOND LOCAL MUNICIPALITY

The Office of the Municipal Manager
57 Shepstone Street
Richmond
3780
Telephone No: (033) 212 2155
Telefax No: (033) 212 4668

THE SERVICE PROVIDER

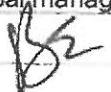
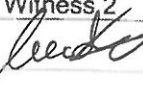
25 Roger De Clerck Place
Mkondeni
Pietermaritzburg
3209
Telephone No: (033) 386 0100
Telefax No: (033) 386 0104

- 22.2 Any notice or correspondence given by hand, or given by pre-paid registered post or by telefax to the domicilium chosen by the addressee in terms of clause 22.1 will be deemed to have been received by the addressee -
- 22.2.1 on the date on which the same was delivered, if delivered by hand;
- 22.2.2 on the seventh (7th) day after the date of posting, if sent by pre-paid registered post;
- 22.2.3 on despatch, if sent to the addressee's telefax number.

23. DISPUTE RESOLUTION

- 23.1 Without detracting from either party's right to institute action or motion proceedings in the High Court or other Courts of the competent jurisdiction in the Republic of South Africa in respect of any dispute that may arise out of or in connection with this Agreement, the parties may, by mutual consent, follow the mediation and/or arbitration procedure as set out in this Clause.

23.2 Mediation

Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

- 24.6 The decision of the Arbitrator shall be final and binding and may be made an Order of Court upon the Application by any party to the Arbitration.
- 24.7 The decision by the Arbitrator may be appealable in a period of 10 (ten) days of the receipt of the decision.

25. WAIVER

- 25.1 No waiver of any of the terms and conditions of this Contract shall be binding unless expressed in writing and signed by the party giving the same, and any such waiver shall be affected only in a specific instance and for the purpose given.
- 25.2 No failure or delay on the part of either party in exercising any right, power or privilege precludes any other or further exercising thereof or the exercising of any other right, power or privilege.
- 25.3 No indulgence, leniency, or extension of time which any party (the grantor) may grant or show the other party, shall in any way prejudice the grantor or preclude the grantor from exercising any of its rights in terms of this Contract.

26. PENALTIES

A penalty of 0.1% (zero-point one percent) of the project value shall be charged by the municipality to the service provider for each additional day taken by the service provider to complete the project after the agreed upon completion date.

27. CONTRACTUAL AGREEMENT

This agreement is the entire contract between the parties regarding the matters addressed herein. No representations, terms, conditions, or warranties not contained in this agreement shall be binding on the parties. No agreement or addendum varying, adding to, deleting or terminating this agreement including this clause shall be effective unless reduced to writing and signed by the parties.

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
					

Contracting Parties

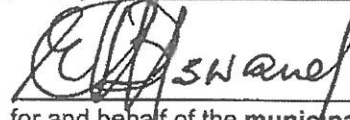
- (1) Municipality RICHMOND LOCAL MUNICIPALITY
 Physical address 51 SHEPSTONE STREET
 Tel 033 212 2155 Fax _____ E-mail mm@richmond.gov.za
- (2) Service Provider SHOSPE (PTY) LTD
 Physical address 25 Roger de Clerck Place, MKONDENI, P.M.Burg
 Tel 033 386 0100 ^{CEW} Fax 072 441 7643 E-mail yugen@shospec.co.za
 Tax/VAT No. 4820 188 052

The accepted contract sum (Amount inclusive of tax)

R1 711 334.84

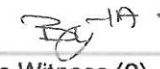
In words ONE MILLION, SEVEN HUNDRED AND ELEVEN THOUSAND, THREE HUNDRED AND THIRTY-FOUR RAND EIGHTY FOUR CENTS

Signature of the contracting parties:

Thus, done and signed at RICHMOND on 16 OCTOBER 2025BHEKANI ERROL MSWANE
Name of signatory
for and behalf of the municipality who by
Signature hereof warrants authorisation heretoMUNICIPAL MANAGER

Capacity of signatory

As Witness (1)

Thus, done and signed at Pietermaritzburg on 22 OCTOBER 2025YUGENDREN NAIDU
Name of signatory
for and behalf of the service provider who by
Signature hereof warrants authorisation heretoMANAGING DIRECTOR
Capacity of signatory
As Witness (2)

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Municipal manager	Witness 1	Witness 2	Service Provider	Witness 1	Witness 2
				