SERVICE LEVEL AGREEMENT ENTERED INTO BY AND BETWEEN

SEDIBENG DISTRICT MUNICIPALITY herein represented by MOTSUMI MATHE in his capacity as the Municipal Manager, duly authorized thereto (hereinafter referred to the "MUNICIPALITY");

AND

TJM GREENTECH (PTY) LTD with Company Registration no. 2016/370039/07, herein represented by TSHEPO JAMES MATJEKE in his capacity as the Managing Director, duly authorized thereto, (hereinafter referred to as the "SERVICE PROVIDER");

(Hereinafter referred to as the "PARTIES").

PREAMBLE

WHEREAS, SEDIBENG DISTRICT MUNICIPALITY has the need for the service provider to assist the municipality with the implementation of Energy efficiency Demand Side Management (EEDSM) Programme

AND WHEREAS

The Municipality appointed TJM GREENTECH (Pty) Ltd for: SUPPLY, DELIVERY AND INSTALLATION OF THE HYDRID (SOLAR PANELS), LED STREETLIGHT AND HIGH MAST, LED FITTINGS FOR SEDIBENG REGION BID NO. 8/2/6/1-2024

AND WHEREAS

TJM GREENTECH (Pty) Ltd, herein after referred to as "the Service Provider" has accepted the appointment by Sedibeng District Municipality for: SUPPLY, DELIVERY AND INSTALLATION OF THE HYDRID (SOLAR PANELS), LED STREETLIGHT AND HIGH MAST, LED FITTINGS FOR SEDIBENG REGION BID NO. 8/2/6/1-2024

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NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. DEFINITION

In this agreement unless clearly inconsistent with or otherwise indicated by context:

1.1	"Breach"	means failure to deliver in terms of this agreement or not meeting as agreed standards contained in this agreement proposal;
1.2	"Business day"	means any day other than Saturday, Sunday or an official public holiday in the Republic of South Africa;
1.3	"Jurisdiction"	means the MDB code: GT421 geographic area defined in terms of the Demarcation Act, as amended;
1.4	"Municipality"	means Sedibeng District Municipality;
1.5	"Service provider"	means TJM GREENTECH (Pty) Ltd;
1.6	"Parties"	means Sedibeng District Municipality and TJM GREENTECH (Pty) Ltd any referred to singular including plural and *vice versa*;
1.7	"Purchaser"	means Sedibeng District Municipality;
1.8	"Supplier"	means TJM GREENTECH (Pty) Ltd; and
1.9	"MFMA"	means Municipal Finance Management Act.
1.10	"DMRE"	means Department of Minerals Resources and Energy
1.11	"EEDSM"	means Energy Efficiency Demand Side Management
1.12	"DORA"	means Division of Revenue Act

2. DURATION

2.1 The contract duration shall be for a period of Three years subject to the availability of funding from National Treasury and the Department of Minerals Resources and Energy (DMRE).

2.2 The contract shall commence from the date of acceptance of this Service Level Agreement, which is 30 November 2024 shall end on 30 December 2027.

3. SERVICES AND OUTPUTS

The service provider will provide the following services:

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3.1 Assist the Municipality in processing grant funding applications in relation to Energy Efficiency Demand Side Management and Solar energy projects.

3.2 Turnkey Implementation of the Programme Scope for Municipal Energy Efficiency Demand Side Management and Solar Energy projects

Item No.	Project	Activities	Fees (%)
Step 0: Job Creation			5%
1.	Recruitment of local graduates	Local graduates to be appointed for the duration of the contract to assist with the project administration and implementation of the projects	
Step 1: Establishing of an extended and a detailed baseline			7%
1.	Infrastructure Inventory	Description of the infrastructure (i.e. street and traffic light (pole no, luminaire wattage, type of lamp), water plant (type of motor, pump type, wattage etc) and, buildings (gross floor area, total number of floor levels, etc), building base data (i.e. type of buildings, number of floors, occupancy), main energy sources (electricity, gas, etc), building characteristics (building length, height, width, etc), geographic position of the building. The Municipality is requested to make use of the audit templates provided by DoE.	
2.	Calculation of kWh savings for buildings, street lighting, street lighting, or water purification and pumping (Energy auditing)	Proposed energy efficient technologies projected total energy reduced per year, estimated life cycle/span of the technology in year, efficiency of the grant (R/kWh), pay pack period/ROI, monitoring of the energy consumption and savings.	
3.	Business/Implementation Plan Development	Number of buildings, street lights, traffic lights, or water purification and pumping plants to be retrofitted, type of efficient technology to be utilized, timelines for the retrofit activities, budget breakdown (awareness, skills, and retrofits), projected jobs to be created. The Municipality is requested to make use of the template that is provided by DoE	
Step 2: Implementation of Energy Efficiency Programme			
1.	Retrofits of Municipal Infrastructure	Replacement of inefficient technologies with efficient technologies in buildings, street lighting, hybrid (solar panels), traffic lighting, or water purification and pumps	86%
2.	Capacity Building & Training	Develop capacity building and training plan for local technicians.	1%

3.	Energy Efficiency Awareness	Develop a Municipal Energy Efficiency Awareness Plan	1%

4. MUNICIPALITY

The Municipality will be responsible for rendering the following services:

4.1 Providing the TJM GREENTECH (Pty) Ltd with the necessary support; and

4.2 Identification of an internal resource that can form part of the Project.

5. TENDER VALUE, BUDGET AND FEE'S STRUCTURE

5.1 The budget for the EEDSM programme will align with allocations made by the National Treasury, as stipulated in the Division of Revenue Act (DORA) for the financial years 2024/2025, 2025/2026, and 2026/2027.

a) The budget for the EEDSM project will be allocated by the National Treasury.

b) Confirmations of the budget will be made by the Department of Mineral Resources and Energy (DMRE) through the Memorandum of Agreement (MOA) between DMRE and the municipality.

c) Budget details are stipulated in the Division of Revenue Act (DORA) for the financial years:
- 2024/2025
- 2025/2026
- 2026/2027

5.2 Project Deliverables, Rates, and Pricing:

a) Deliverables, rates and pricing will be determined by the DMRE upon submission of business plans and other supporting documents as outlined in the MOA.
b) Business plans must be reviewed and approved by DMRE.
c) Deliverables and pricing will align with DMRE's project objectives and applicable guidelines.

6. PAYMENT

The Municipality shall make payment to the Service Provider as follows:

6.1 Payments will be done when an as the contractor submit the invoice and inspections are done by the technical department and confirmation from the district or local municipality representative or ward committee member.

6.2 The Municipality shall pay the Service Provider within 30 (thirty) days upon receipt of the Invoice.

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6.3 Unpaid invoices shall incur penalties of 2.5% per month of the invoices amount after 30 (thirty) days from date of invoice submission unless the Municipality provides a justifiable reason for non-payment of received invoices.

7. LIABILITY AND INSURANCE

7.1 The Service Provider shall be liable for any loss of or damage to property of the Municipality, including any consequential loss, suffered by the Municipality, if such loss or damage is sustained as a result, directly or indirectly, of the negligent act or omission of the Service Provider, or any of its employees acting in the course and scope of his/ her duties.

7.2 Without limiting the generality of clause 4 should any loss to the Municipality arise, directly or indirectly, as a result of any act or omission by the Municipality, its employee or agent, the service provider shall have no liability whatsoever to the Municipality for such losses.

7.3 It is understood that all hardware and software used by TJM GREENTECH (Pty) Ltd during the term of this contract remains at all times the property of the Service Provider.

8. BREACH OF TERMS AND REMEDY

In the event either party:

8.1 Commits a breach of any of the terms of this agreement and fails to remedy such breach within 14 (fourteen) days of receipt of written notice from the other party to remedy the defect;

8.2 Fails to satisfy any judgment granted against it within 30 (thirty) days of such judgment having been granted against it and/or is provisionally or finally liquidated (save for *bona fide* purpose of reconstruction or amalgamation) and/or is placed under judicial management or if the Service Provider enters into a compromise with any of its creditors.

The other Party shall, without prejudice to any rights which may have in law, be entitled to cancel this agreement and claim any damages that the other Party may have suffered.

9. *FORCE MAJEURE*

Neither of the Parties shall be liable for any of the failure to perform its obligation insofar as that is, as a result of:

9.1 An impediment beyond its control.

9.2 It could not be reasonably expected to have taken the impediment and its effect upon a Party's ability to perform into an account at the time of the conclusion of the agreement

9.3 It could not have reasonably have avoided or overcome the impediments or its effect.

9.4 An impediment as foresaid may come from events such as the following which lists is not exhaustive war, whether declared or not, civil war, civil violence, riots, armed revolution, acts of sabotage,

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natural disaster like violent storms, cyclones, earthquakes, tidal waves, floods or destruction by lighting, explosions, fire, boycotts, strikes, lockouts and work stoppages; and

9.5 Relief from liability for non-performance by reason of this clause shall commence on the time and date upon which a party seeking immunity gives the other a Notice of the nature of the impediment relied upon, and shall terminate on the date upon which that impediment ceases to exist.

10. TERMINATION OF THIS AGREEMENT

This agreement will terminate upon:

10.1 Mutual agreement between the Parties

10.2 Either one of the Parties to the contract failing to meet its obligation and failing to remedy such obligation within the specified time after receiving written notification demanding that the breach be rectified, the other Parties is entitled without further notice to cancel the agreement without prejudice to any claim which that Party might have for damages, breach of contract or otherwise; and

10.3 If the other Party become insolvent or bankrupt.

11. DISPUTE AND ARBITRATION

11.1 Any dispute arising at any time between the Parties in regard to the interpretation, validity or execution of this agreement or any matter arising out of its termination shall be solved by means of arbitration in accordance with the following procedures stipulated here under.

11.2 Any Party shall be entitled to demand in writing that the dispute be referred for arbitration within 10 days after agreement could not be reached.

11.3 The arbitration shall be, if the matter in dispute is:

(a) Primarily an accounting matter, an independent registered Chartered Accountant who has practiced for more than five years;

(b) Primarily a legal or any other matter, an Advocate/Attorney who has practiced for more than five years; agreed upon between the Parties involved in the dispute.

11.4 The arbitrator must take cognizance of the intention of the Parties and reach a decision based on the South African Law. The Arbitrator is not strictly bound by the rule of law but must be guided by the principles of natural justice.

11.5 As soon as possible with a view to it being completed within one (1) month from the date in which the dispute is referred to the Arbitrator.

11.6 In accordance with such procedures as the Arbitrator may determine in his discretion.

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11.7 The Arbitrator shall consider the dispute and based on the documents before him, without appearance of the Party or any legal representative before him, decide the issues. Should the Arbitrator be unable to decide the issue on the documents, he may request the Parties to present further evidence or to call witness to testify in the presence of the Parties. These witnesses must be questioned by the Arbitrator and may be questioned by the Parties.

11.8 The Arbitrator may announce any decision or make any award which according to this discretion is legally correct, fair and appropriate.

11.9 The finding of the Arbitrator shall be final and binding on the Parties unless, in the event of being established that:

11.9.1 the Arbitrator made any mistake, or

11.9.2 the Arbitrator failed to apply his mind properly to the matter, or

11.9.3 the Arbitrator acted in bad faith, and

11.9.4 Any event applicable in law for review of any decision.

In which event the decision of the Arbitrator shall be subjected to review by Court of law.

12. VARIATION

12.1 This agreement cannot be varied, added to unilaterally by either Party.

12.2 The invalidity of any provision of this agreement shall not impair, affect or invalidate the other permission of this agreement.

13. RELAXATION OF TERMS

No relaxation of terms of this agreement and no indulgence which any Party may grant to the other, will in any way operate as stopple against the former Party, or be deemed to be waiver of his rights or in any other way limit, alter, or prejudice those rights.

14. ASSIGNMENT, CESSION, DELEGATION

Neither of the Parties may assign, cede, delegate, or transfer, any of the rights, obligations or interest acquired in terms of the agreement, in whole or in part, to any other Party or persons without prior knowledge and approval of the other, and which consent shall not be unreasonable withheld.

15. CONFIDENTIALITY

The Parties agree and undertake treat all confidential information which may come to the attention of the other Party as strictly confidential. The Parties will not at any time during and after the duration of the

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contract divulge to any parties not signatory hereto any confidential information received from the other Party.

16. WHOLE AGREEMENT

This document read together with Proposal by TJM GREENTECH (Pty) Ltd constitute the whole agreement between the Parties, neither Party will have any right or remedy arising from any undertaking, nor representation not included in this document.

17. JURISDICTION

Either Party will be entitled but not obliged, to institute proceedings arising here from in any Magistrate's Court having jurisdiction, notwithstanding that the amount of the claim may exceed the jurisdiction.

18. APPLICABLE LAW

The law applicable to this agreement is South African Law.

19. GOOD FAITH

The Parties undertake to act in respect of this agreement and to perform their obligations arising from this agreement in the utmost good faith.

20. NOTICES

Any notice, instruction or request required or permitted to be given or made under this agreement shall be in writing. Such notice, instructor or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail or facsimile at *domicilia citandi et executandi* of the Party concerned as specified below. Any facsimile notice must be followed up by the original document. Mailed notices will be regarded as having been received seven days after dispatch by registered mail.

21. *DOMICILIA CITANDI ET EXECUTANDI*

21.1. The Parties agree to choose *domicilia citandi et executandi* as their respective address, set out in this paragraph for all purpose arising out of or in connection with this agreement, at which address all process and notices arising out of or in connection with this agreement, may validly be served upon or delivered to either of the Parties.

For the purpose of the giving of notices and the serving of legal process in terms of this agreement, each of the Parties chooses their *domicilia citandi et executandi* ("*domicilium*") as follows:

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21.1.1	Sedibeng District Municipality	:	Corner Leslie and Beaconsfield Avenue Vereeniging 1930
	Postal address	:	PO Box 471 Vereeniging 1930
21.1.2	TJM Greentech (Pty) Ltd	:	249 Jukskei View 22 Plover Street Midrand 1682
	Postal address	:	PO Box 3650 Halfway House 1685

21.2 Any Notice given other than documents sent in terms of this agreement shall be in writing and shall:

21.2.1 If delivery by hand be deemed to have duly received by the addresses on the date of delivery.

21.2.2 If posted by pre-paid registered post, be deemed to have received by the addressee on the seventh business day from date of posting.

21.2.3 If transmitted by facsimile or email, be deemed to have been received by the addressee on the day it was dispatched.

21.3 Notwithstanding anything to the contrary contained in this agreement, written Notice or communication actually received by one of the Party from another, including by way of facsimile transmission or email, shall be adequate written notice of communication to such a Party.

22. CONSTITUENT DOCUMENTS

The following document shall be deemed to form and be read as part of this agreement, namely:

a) Letter of appointment by Sedibeng District Municipality dated 01 NOVEMBER 2024, Referenced: Appointment Letter; and

b) Signed Bid document with Bid Number: 8/2/6/1-2024.

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THUS DATED AND SIGNED AT VEREENIGING ON THIS THE 29 DAY OF NOVEMBER 2024

MOTSUMI MATHE

AS WITNESSES: 1.....

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THUS DATED AND SIGNED AT MIDRAND ON THIS THE 30th DAY OF NOVEMBER 2024

TSHEPO JAMES MATJEKE

AS WITNESSES: 1.....

2.....