



SERVICE LEVEL AGREEMENT

entered into and between
Kgatelopele Local Municipality
("Kgatelopele")

and

Baboloki Security (Pty) Ltd
("the Contractor")

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1. PARTIES

The Parties to this Agreement are -

1.1.KGATELOPELE LOCAL MUNICIPALITY, a municipality established as contemplated in section 14 of the of the Local Government: Municipal Systems Act 11 of 1998 herein represented by Adv.W.Blundin in his capacity as Municipal Manager with its registered address at Barker Street, Danielskuil ("the Municipality") and

1.2.BABOLOKI SECURITY (Pty) Ltd, registration number: **2018/225972/07** incorporated in accordance with the company laws of the Republic of South Africa herein represented by Mr.K.K. Khumoeng with its registered address at:

98 Leask Street
Klerksdrop
2571

("the Contractor"), who warrant that they are duly authorized thereto.

2. RECORDAL

It is recorded that –

2.1.Kgatelopele has identified a need to appoint a service provider for Provision of Security Services for a Period of 36 Months (as and when required)

2.2.the Contractor is willing and able to provide Kgatelopele with the aforementioned items, equipment and/or services, and has the necessary experience and expertise in connection therewith; and

2.3.the Parties agree as set out herein.

3. DEFINITIONS AND INTERPRETATION

3.1. Definitions

In this Agreement, unless the context otherwise requires, the following capitalised terms shall have the meanings assigned to them below and cognate expressions shall have corresponding meanings:

"Commencement Date" 01 July 2025, notwithstanding the Signature Date hereof;

"Contractor Fees" means the fees payable by Kgatelopele to the Contractor in consideration for the Services rendered as set out in the Payments Schedule and Appointment Letter;

"Contract Manager" the respective representatives of the Parties as appointed and nominated from time to time with responsibility for the liaison and contract management function in respect of this Agreement;

"Expiry Date" 30 June 2028, unless such date has by mutual agreement of the Parties been extended to a later date (REFER TO THE APPOINTMENT LETTER);

"Failure" any failure by the Contractor to perform the Services in accordance with the clause 10.2 (Service Standards);

"Good Industry Practice" applying, in relation to the manner in which the Services are rendered, the standards, practices, methods and procedures conforming to applicable Law, and exercising that degree of skill, care, diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced person engaged in a similar type of undertaking under similar circumstances;

"Law" means all applicable laws, ordinances, regulations, judgments and orders of any competent court, governmental agency or authority in any relevant jurisdiction within the Republic of South Africa;

"Parties" Kgatelopele and the Contractor, and any reference to "a Party" shall refer to one of the relevant Parties as required by the context;

"Payment Schedule" means the costing breakdown as included in the quotation document "Annexure A";

"Appointment" the Contractor's appointment letter for the provision of the Services to Kgatelopele as attached as 'Annexure B' to this Agreement;

"Services" the services to be provided by the Contractor to Kgatelopele for the 2025 to 2028 financial year as set out in the quotation document submitted to the municipality and as may be subsequently amended in accordance with this Agreement;

"Signature Date" the date of last signature of this Agreement by the Parties thereto;



"Termination Date" any date on which this Agreement is terminated in accordance with its terms other than by way of effluxion of time; and

"the/this Agreement" this service agreement between the Parties together with the Annexures thereto.

3.2. Interpretation

This Agreement shall be interpreted according to the following provisions, unless the context requires otherwise:

- 3.2.1. References to the provisions of any Law shall include such provisions as amended, re-enacted or consolidated from time to time in so far as such amendment, re-enactment or consolidation applies or is capable of applying to any transaction entered into under this Agreement.
- 3.2.2. References to "Parties" shall include the Parties' respective successors-in-title and, if permitted in this Agreement, their respective cessionaries and assignees.
- 3.2.3. References to a "person" shall include an individual, firm, company, corporation, juristic person, responsible authority, and any trust, organisation, association or partnership, whether or not having separate legal personality.
- 3.2.4. References to "clauses", "sub-clauses" and "Annexures" are references to the clauses, sub-clauses and annexures of this Agreement.
- 3.2.5. References to any other contract or document shall include (subject to all approvals required to be given pursuant to this Agreement for any amendment or variation to or novation or substitution of such contract or document) a reference to that contract or document as amended, varied, novated or substituted from time to time.
- 3.2.6. Words in parentheses and italics appearing after a clause reference or a reference to a schedule are inserted for ease of reference only. If there is any discrepancy between the clause reference and the words in parentheses and italics, the latter shall prevail.
- 3.2.7. The headings of clauses, sub-clauses and Annexures are included for convenience only and shall not affect the interpretation of this Agreement.
- 3.2.8. The Annexures to this Agreement are an integral part of this Agreement and references to this Agreement shall include the Annexures.
- 3.2.9. The Parties acknowledge that each of them has had the opportunity to take legal advice concerning this Agreement and agree that no provision or word used in this Agreement shall be interpreted to the disadvantage of either Party because that Party was responsible for or participated in the preparation or drafting of this Agreement or any part of it.
- 3.2.10. Words importing the singular number shall include the plural and vice versa, and words importing either gender or the neuter shall include both genders and the neuter.



- 3.2.11. References to "this Agreement" shall include this Agreement as amended, varied, novated or substituted in writing from time to time.
- 3.2.12. The number of days indicated to commit an act or indicated for any other purpose, is calculated by excluding the first day and including the last day.
- 3.2.13. If any definition in clause 3.1 (Definitions) contains a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to such provision as if it was a substantive provision in the body of this Agreement.
- 3.2.14. In the event of an inconsistency between the provisions of this Agreement and the provisions of the Annexures hereto, the provisions of this Agreement shall prevail.

4. APPOINTMENT

Kgatelopele Local Municipality appoints **BABOLOKI SECURITY (Pty) Ltd** as its service provider to render the services set out in this Agreement and **Annexure-A: Quotation Document** (Which includes scope of work under specifications) hereto (**Annexure-B: Appointment Letter**) subject to the terms and conditions and for the remuneration provided for hereunder, which appointment **BABOLOKI SECURITY (Pty) Ltd** accepts (**Annexure-C: Acceptance Letter**).

5. CO-OPERATION

Each Party shall co-operate with the other in the exercise and performance of their respective rights and obligations under this Agreement.

6. DURATION

This Agreement and the rights and obligations of the Parties under this Agreement shall commence on the Commencement Date and terminate on the earlier of the Expiry Date or the Termination Date.

7. FORCE MAJEURE

If circumstances arise for which the **Service Provider** is not responsible and which makes it impractical or impossible for the **Service Provider** to perform the services in the normal manner as contemplated by the parties in accordance with the agreement in whole or part, then the **Service Provider** shall promptly notify the **Municipality** and Vice Versa.



8. GENERAL OBLIGATIONS OF THE CONTRACTOR

- 8.1. The Contractor shall in the provision of the Services, avoid undue hindrance, interruption or interference with the operations of Kgatelopele or otherwise hinder the activities of Kgatelopele and its employees, save to the extent entitled to do so in terms of this Agreement or as may be reasonably necessary for the performance of the Services under this Agreement.
- 8.2. The Contractor shall not, without the prior written consent of Kgatelopele (which shall not be unreasonably withheld), subcontract or delegate any of the Services to any parties other than those listed as members of the Contractor as contained in the Proposal.
- 8.3. The Contractor shall not be relieved of any obligation, responsibility or liability under this Agreement by the appointment of any subcontractor to carry out any part of the Services. As between the Contractor and Kgatelopele, the Contractor shall be responsible for the payment, performance, acts, defaults, omissions, breaches and negligence of all subcontractors. All references in this Agreement to any performance, payment, act, default, omission, breach or negligence of the Contractor shall be deemed to include any of the same by a subcontractor.
- 8.4. Kgatelopele shall at all reasonable times and with prior written notice have access to (including the right to reproduce) all records and documentation required by the Contractor to be kept in relation to the Services for purposes of auditing, quality control and monitoring of the Services by Kgatelopele.
- 8.5. The Contractor undertakes to -
- 8.5.1. devote the necessary time and attention to providing the Services, as set out in the quotation document and not engage in any business or activity that will prevent the Contractor from providing the Services effectively;
 - 8.5.2. maintain, at all times, the highest degree of good faith towards Kgatelopele and to ensure that no conflict of interest materializes, and in the event of a conflict of interest arising, to immediately advise Kgatelopele of same, upon which advice Kgatelopele shall, in its sole and absolute discretion, decide whether to proceed with this Agreement or to terminate it forthwith. Failure by the Contractor to advise Kgatelopele of any conflict of interest shall amount to a material breach of this Agreement and shall entitle Kgatelopele to terminate this Agreement forthwith;
 - 8.5.3. maintain independence from other individuals, organisations or government bodies; insofar as such is necessary for the avoidance of any conflict of interest and the execution of the Services;
 - 8.5.4. observe neutrality and objectivity in its views and opinions; and
 - 8.5.5. maintain the services of professional personnel as committed to by the Contractor in its submitted quotation, and that in the event of any member of the Contractor becoming incapacitated and unable to carry out his or her duties or whose performance Kgatelopele reasonably considers to be unsatisfactory in its discretion, to replace, at the Contractor's cost, such member, subject to the written approval of

Kgatelopele, which shall not be unreasonably withheld, and which approval shall take into consideration the scope of the Services and the specific skills required.

9. GENERAL RIGHTS AND OBLIGATIONS OF KGATELOPELE

Kgatelopele -

- 9.1. shall grant the Contractor reasonable access to its premises to enable it to properly perform the Services in terms of this Agreement;
- 9.2. shall compensate the Contractor for the performance of the Services in accordance with clause 12 (Payment);
- 9.3. shall, without prejudice to the obligation of the Contractor to provide the Services, provide reasonable assistance to the Contractor in its performance of the Services, and specifically, to ensure as far as it may be reasonably possible from its end, a smooth integration and synchronization process to synchronize and integrate the activities of the Contractor and Kgatelopele;
- 9.4. shall inform the Contractor of its policies, procedures, protocols and directives as may be applicable to the Services and shall timeously inform the Contractor of any amendments thereto; and

10. SERVICES

10.1. Provision of the Services

The Contractor shall provide the Services in accordance with this Agreement with effect from the Commencement Date for the duration of the Agreement and shall be entitled to payment for the Services in accordance with clause 12 (Payment) as from the Commencement Date.

10.2. Service Standards

The Contractor shall carry out the Services (each as a separate and distinct obligation) –

- 10.2.1. in accordance with 'Annexure A – as per specifications in the quotation document';
- 10.2.2. at its own cost, risk and expense and in accordance with Good Industry Practice;
- 10.2.3. in a manner that complies with and meets the requirement of all applicable Law;
- 10.2.4. in compliance with the reasonable policies, procedures, protocols and directives of Kgatelopele (as may be amended from time to time) as indicated; and
- 10.2.5. so that all persons employed in connection with the performance of the Services have the necessary skills and experience as required by their respective professions, trades and callings and taking into account their roles and responsibilities in relation to the Services;
- 10.2.6. so that all aspects of the Services are supervised by sufficient numbers of persons having adequate knowledge of such matters for the satisfactory performance of the Services having regard to the activities which are carried on; and

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10.2.7. in accordance with the provisions of this Agreement and shall upon receipt of a request by Kgatelopele within 10 (TEN) days' supply to Kgatelopele evidence substantiating its compliance with this clause 10.2 (Services Standards).

11. PERFORMANCE MONITORING

11.1. Contractor monitoring

11.1.1 The Contractor shall monitor its performance in the delivery of the Services and shall implement appropriate monitoring and management procedures in respect of the Services, including any reasonable monitoring procedures as the Parties may from time-to-time agree.

11.1.2 On the notification of any Failure or complaint regarding the quality of Services, the Contractor shall attend to such notification with the speed and urgency appropriate to the nature of the Failure or complaint.

11.1.3 The Contractor shall, if required, prepare a report to Kgatelopele in respect of its performance in the provision of the Services including any Failures and such other information as Kgatelopele may reasonably require from time to time. The aforementioned report shall be submitted together with the invoice, as contemplated in clause 12.2 and 12.3 (Payment).

11.2 Kgatelopele monitoring

Kgatelopele may, carry out such monitoring and/or audit of the quality of the Services as it may from time to time require, which monitoring may include the conducting of audits, spot checks, quality assessments, third party monitoring and independent reviewing and auditing of the Contractor's provision of the Services as well as periodic performance meetings with the Contractor to discuss, review and assess performance and identify trends, problem areas and remedying actions to be undertaken by the Contractor.

12. PAYMENT

12.1. Kgatelopele shall as of the Commencement Date pay the Contractor the fees in respect of the Services as contemplated in the Payment Schedule supplied by the contractor.

12.2. The Contractor shall submit to Kgatelopele, invoices (the "Invoice") detailing and aggregating the following –

13.2.1 the payment for the work done; and

12.2.2 any amounts due and payable in respect of direct disbursements and travelling costs incurred by the Contractor in the performing of the Services; and

13.2.3 any VAT payable.



- 12.3. Kgatelopele shall pay the amount of the Invoice within 30 (THIRTY) days of its submission and delivery to Kgatelopele of a valid invoice in respect thereof, together with the report, if required, contemplated in clause 11.1.3 (Performance and Monitoring).
- 12.4. If Kgatelopele disputes, in good faith, any amount, or the calculation, composition or supporting information evidencing any amount, set out in a Monthly Invoice, Kgatelopele shall be entitled to withhold payment of the amount so disputed (the "Disputed Amount").
- 12.5. The Parties shall liaise and use reasonable endeavors to agree the Disputed Amount. Where the Disputed Amount is not agreed within 10 (TEN) Business Days either Party may refer the matter to for resolution pursuant to clause 17 (Dispute Resolution).

13. TERMINATION

13.1. Non-default termination

- 13.1.1. This Agreement shall automatically be terminated on the Expiry Date unless it has been terminated earlier in accordance with the provisions of this Agreement.
- 13.1.2. It shall be recorded that the Contractor will be entitled to be fully compensated what is due to the contractor upon termination of this Agreement.

13.2. Breach -

Should any Party (the "guilty party") commit a breach of this agreement and fail or refuse to rectify that breach within 14 (FOURTEEN) days after receipt of a written notice from the other Party (the "innocent party"), calling upon the guilty party to rectify that breach, the innocent party shall be entitled, without prejudice to any other of his rights, to forthwith cancel this Agreement by written notice to the guilty party.

Without prejudice to both parties, Kgatelopele shall be entitled to terminate this Agreement on 30 (THIRTY) days written notice to the other indicating such termination and the reasons for termination.

14. WARRANTIES

14.1. Contractor warranties

The Contractor warrants that -

- 14.1.1. the obligations of the Contractor under this Agreement are legal, valid and binding and enforceable against it in accordance with the terms of the Agreement;
- 14.1.2. is has satisfied itself as to the nature and extent of the Services to be provided in terms of the Agreement; and
- 14.1.3. it has the necessary resources, skills, expertise and experience required to carry out the Services in terms of this Agreement and will use reasonable care and skill in the execution of the same under this Agreement.

14.2. Kgatelopele warranties

Kgatelopele warrants that -

- 14.2.1. it has taken all necessary actions to authorise the execution of this Agreement; and
- 14.2.2. it has not knowingly omitted to disclose any material information in its possession or under its control relating to the Services

15. INDEMNITIES

The Contractor indemnifies and shall keep Kgatelopele indemnified at all times against all losses sustained by Kgatelopele in consequence of -

- 15.1. any –
 - 15.1.1. loss of or damage to property;
 - 15.1.2. breach of a statutory duty arising under any applicable Law;
 - 15.1.3. claim for or in respect of the death or personal injury of any individual; or
 - 15.1.4. other claim, action, charge, cost, damages or expense,

(Including, without limitation, any legal fees or costs) arising in connection with the performance or non-performance of any of the Services, save to the extent caused by the gross negligence or willful misconduct of Kgatelopele or by a breach by Kgatelopele of an express provision of this Agreement; or

- 15.2. any breach by the Contractor of any warranties given by it in this Agreement.

16. CONTRACT MANAGEMENT

Both Parties shall nominate and appoint Contract Managers from time to time by written notification of their appointment to the other Party, and which Contract Managers shall exercise all functions, powers, duties and obligations of Kgatelopele and the Contractor as stipulated and identified in this Agreement as well as all other related functions, powers, duties and obligations as required from time to time and with notification to the other Party.

17. DISPUTE RESOLUTION

- 17.1. The dispute resolution procedure contained in this clause 17 ("Dispute Resolution Procedure") shall apply to any dispute, claim or difference between the Parties arising out of or relating to this Agreement ("a dispute").
- 17.2. A dispute will not be deemed to be a dispute until one of the Parties has provided a written notice conveying the nature and scope of the dispute to the other Party.
- 17.3. All disputes shall first be referred to a mediation committee consisting of the Contract Managers of the Parties ("Mediation Committee") for resolution. An agreement reached by the Mediation Committee shall be reduced to writing and shall be binding on the Parties.
- 17.4. If the Parties have been unable to resolve any dispute within 10 (TEN) working days of referral to the Mediation Committee, either Party may refer the matter to arbitration.

- 17.5. The arbitration shall be conducted in accordance with the provisions of the Arbitration Act, 1965 (Act No 42 of 1965, as amended from time to time), provided that –
- 17.5.1. a single arbitrator shall be appointed;
- 17.5.2. the arbitrator shall be a practicing counsel or attorney of not less than 10 (TEN) years standing agreed upon by the parties within 10 (TEN) days after the date on which the arbitration is called for.
- 17.6. If the Parties fail to reach agreement within 10 (TEN) days after arbitration has been called for on the arbitrator to be appointed, such arbitrator shall be appointed by the President for the time-being of the Law Society of the Northern Cape.
- 17.7. The arbitration proceedings shall take place in Kimberley at a venue and time to be determined by the arbitrator.
- 17.8. The arbitration proceedings shall be held informally and in a summary manner, and all procedural requirements and formalities shall be determined by the arbitrator. In determining such formalities and procedure, the arbitrator does not need to observe the normal strict rules of evidence or usual formalities of procedure.
- 17.9. The decision of the arbitrator shall be final and binding on the Parties.
- 17.10. The cost of the arbitration proceedings shall be borne by the Parties as decided by the arbitrator.
- 17.11. Notwithstanding the provisions of this clause 17, any Party shall be entitled to approach a competent court of law having jurisdiction to obtain any urgent relief which may be required by such Party.

18. MISCELLANEOUS

- 18.1. This Agreement shall be governed by and construed in accordance with the laws of the Republic of South Africa. Subject to the provisions of clause 17 (Dispute Resolution), each Party agrees that the Free State Provincial Division of the High Court of South Africa shall have exclusive jurisdiction to hear and decide any application, action, suit, proceeding or dispute in connection with this Agreement, and irrevocably submits to the jurisdiction of the Free State Provincial Division of the High Court of South Africa.
- 18.2. No provision of this Agreement (including, without limitation, the provisions of this clause) may be amended, substituted or otherwise varied, and no provision may be added to or incorporated in this Agreement, except (in any such case) by an agreement in writing signed by the duly authorised representatives of the Parties.
- 18.3. Any relaxation, indulgence or delay (together "Indulgence") by either Party in exercising, or any failure by either Party to exercise, any right under this Agreement shall not be construed as a waiver of that right and shall not affect the ability of that Party subsequently to exercise that right or to pursue any remedy, nor shall any Indulgence constitute a waiver of any other right (whether against that Party or any other person).
- 18.4. Except where expressly provided to the contrary in this Agreement, this Agreement constitutes the entire agreement between the Parties in connection with its

subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this Agreement.

18.5. This Agreement may be executed in any number of identical counterparts, all of which when taken together shall constitute one agreement. Any single counterpart or a set of counterparts taken together which, in either case, are executed by the Parties shall constitute a full original of this Agreement for all purposes.

18.6. All notices and any other communications whatsoever (including, without limitation, any approval, consent, demand, query or request) by either Party in terms of this Agreement or relating to it shall be given in writing and sent by registered post, or delivered by hand, or transmitted by facsimile or electronic mail to the recipient Party at its relevant address set out below:

18.6.1. If to Kgatelopele, at: Address:

222 Barker Street,
Danielskuil
8405
Or

Postal address:

Box 43
Danielskuil
8405

Facsimile number: 053 384 0326

Tel: 053 384 0101

Marked for the attention of: **Municipal Manager**

18.6.2. if to the Contractor, at: Address:

98 Leask Street
Klerksdrop
2571

Email address: admin@bbsec.co.za

Marked for the attention of: **The Manager**

18.7. Either Party may, by written notice to the other Party, change any of the addresses at which, or the designated person for whose attention those notices or other communications are to be given.

18.8. Any notice or other communication given by any Party to the other Party which –



- 18.8.1. is sent by registered post to the addressee at its specified address shall be rebuttably presumed to have been received by the addressee on the 7th (SEVENTH) day after the date of posting; or
- 18.8.2. is delivered by hand during the normal business hours of the addressee at its specified address shall be rebuttably presumed to have been received by the addressee at the time of delivery; or
- 18.8.3. is transmitted by electronic mail to the addressee at the addressee's specified electronic mail address shall be rebuttably presumed to have received by the addressee on the date of transmission as reflected on the sender's electronic mail records.
- 18.9. The Parties choose their respective physical addresses in clause 18.6 as their respective domicilia citandi et executandi at which all documents relating to any legal proceedings to which they are a party may be served. If that address is changed to another address which is not a physical address in the Republic of South Africa, then the original address shall remain the domicilium citandi et executandi of the relevant Party until it nominates a new physical address within the Republic of South Africa in writing, to be its new domicilium citandi et executandi.

Dated at Lawet Kasi this 01 day of July 2025

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]

KGATELOPELE LOCAL MUNICIPALITY

Dated at Wakke Dorp this 01 day of July 2025

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]

BABOLOKI SECURITY (PTY) LTD