

Service Level Agreement

Between

GEORGE MUNICIPALITY
(hereafter called The Municipality)

And

SILVERLAKE TRADING 305 (PTY) LTD T/AS OPULENTIA FINANCIAL SERVICES
(hereafter call Service Provider)

TENDER NO: FIN 018/2019
APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF SHORT-TERM INSURANCE FOR A
PERIOD OF THREE (3) YEARS, FROM DATE OF APPOINTMENT

For the period

01 July 2020 to 30 June 2023

Two handwritten signatures in black ink are located in the bottom right corner of the page. The first signature is a large, stylized cursive mark, and the second is a smaller, more compact signature.

1. Purpose

1.1 The purpose of this Agreement is to record the nature and scope of the Services we are to render to you, the basis of our remuneration, the means of monitoring our performance and the other terms and conditions of our appointment as your risk consultants and insurance brokers.

1.2 The terms defined in the "Terms and Conditions of Business" shall have the same meaning when used in this Agreement.

2. Appointment and Duration

2.1 The insurance provided will be for the period 01 July 2020 to 30 June 2023 thereafter a tender process will commence to appoint another provider.

3. Service Team

3.1 Your service team will utilise their understandings of your business and its needs to deliver the Services and solutions.

3.2 Your Consultant is **Nico Swart**.

Telephone number: +27 (021) 851 4154;

Cell phone number: +27 082 550 6137

Fax number: +27 (021) 851 9027

e-mail address: nico@opulentia.co.za

3.3 The other service team members are:

NAME	FUNCTION	TEL. NO.	FAX	EMAIL
Marian Naude	Underwriting Manager	021 851 4154	021 851 9027	marian@opulentia.co.za
CLAIMS				
Jolene Faria	Claims Clerk	021 851 4154	021 851 9027	jolene@opulentia.co.za
Chavaughn van Niekerk	Claims Clerk	021 851 4154	021 851 9027	chavaughn@opulentia.co.za

4. Claims

Upon notification and instruction from you, process, negotiate and settle with insurers/underwriters/loss adjusters, all admissible claims.

Monitor the claim services of the Insurer

Provide you with monthly / quarterly claims reports should you require same.

5. General advice / administration

In respect of your insurance policies we shall –

Provide ongoing and specific advice as to the extent of policy coverage, including but not limited to, the potential impact of, in particular, policy exclusions, coverage gaps, and claims triggers and ensure that all amendments required by you on your insurance policies are affected promptly upon receipt of instructions from you;

Assist you to make the necessary and appropriate policy declarations to your insurers;

Process all mid-term documentation to the satisfaction of the parties involved; and

Negotiate with the insurance market the most effective insurance cover at the most competitive premiums to cover additional risks identified during the policy period.

We will provide you with –

General insurance market advice, including insurance market developments, topics of interest and, upon your request, our view of the financial security and service standards of insurers underwriting your insurance policies;

Minutes of all meetings we attend with you;

A summary of your insurance as well as an uninsured risks schedule;

Client publications produced by us should you so desire;

Upon your request, information and/or advice in respect of issues of relevance in connection with your insurance policies, it being understood that such advice will be rendered by us in our capacity as your insurance broker and not as a legal adviser; and
General advice on insurance and risk management issues.

We will attend meetings should it be required

Handwritten signature and initials in the bottom right corner of the page.

6. Placement of Insurance

6.1 Instructions

It is agreed that (i) all instructions shall be given in writing, e.g. by letter, electronic mail message or facsimile, in order to avoid any misunderstandings about the cover which you have requested; (ii) in the event of emergencies and urgent cases, we will accept verbal instructions, provided that such instructions shall be confirmed in writing as soon as possible thereafter; (iii) written instructions may also be recorded in the minutes of meetings between us and you; and (iv) we will only receive and act on instructions from the Chief Executive Officer or a dedicated employee.

6.2 Risk Information

You will be required annually to provide updated risk information with regard to the subject matter to be insured and claims information that will be used for the purposes of obtaining renewal terms from insurers and reinsurers. You shall be responsible for the accuracy of the information to be provided. We shall assist in the provision of this updated risk information by advising on the nature of information required.

6.2.1 It is agreed that all instructions relating to the Go George Vehicles shall:

(i) be given in writing, e.g. by letter, electronic mail or facsimile, in order to avoid any misunderstandings about the cover which the Municipality has requested; (ii) in the event of emergencies and urgent cases, the Service Provider will accept verbal instructions, provided that such instructions shall be confirmed in writing as soon as possible thereafter;

(iii) written instructions may also be recorded in the minutes of meetings between the Service Provider and the Municipality; and (iv) the Service Provider will receive and act on instructions received from the GIPTN Unit or other dedicated official.

6.2.2 Upon the receipt of an instruction the Service Provider will:

6.2.2.1 Acknowledge receipt of such request; and


6.2.2.2 Immediately, or as soon as possible, engage with the Municipality should there be any information or documentation required to act on the instruction.

6.2.3 The Service Provider commits to the following turn-around time, on acknowledgment of an instruction received by the Municipality, for the processing of a claim:

6.2.3.1 Windscreen or glass repairs between 24 and 48 hours;

6.2.3.2 Body damage amounting to less than R10 000.00: 2 – 3 days;

6.2.3.3 Body damage exceeding R 10 000.00 3 – 5 days

A handwritten signature in black ink is written over a rectangular stamp. The signature is cursive and appears to be 'L. ...'. The stamp is partially obscured by the signature and contains some illegible text.

7. Our Commitment to You

We shall:

- 7.1 at all times act in your best interest;
- 7.2 at all times exercise due care and skill in delivering the Services;
- 7.3 perform the Services based upon the demands and needs that you have advised to us;
- 7.4 conduct our business with utmost faith and integrity;
- 7.5 organize and control the internal affairs of our business in a responsible manner and ensure our staff are well trained and motivated to deliver innovative solutions;
- 7.6 advise of any actual or potential conflicts of interest in delivering the Services under this Agreement;
- 7.7 advise of any insurance underwritten on your behalf by an underwriter that is a related company of ours;
- 7.8 in the conduct of our business and in the choice of insurers act objectively and independently;
- 7.9 advise you in cases where we recommend an insurance placement with multiple insurers;
- 7.10 in our dealings with you comply with all applicable laws and regulations, including without limitation relevant anti-corruption, anti-bribery, trade restriction and anti-money laundering laws; and
- 7.11 the Service Provider is available to process: Instructions, Claims, Requests or any queries throughout the entire Duration of this Service Level Agreement ("SLA"). We confirm that our services will be available over all holiday periods (including the December/ January holiday period) and we undertake to ensure that there will be no delay in services or turnaround times during any holiday periods during the term of this SLA"
- 7.12 ensure that any subcontractors and service providers appointed by us remain available to carry out accident repairs and maintenance and warranty repairs during any holiday periods, including the December/January holiday period"
- 7.13. Commit to a turnaround time on claims as follows:
 - 7.13.1.1 We commit to a turn-around time on claims as set out in [Clause 6.2.3];

Handwritten signature and initials in the bottom right corner of the page.

7.13.1.2 Should there be a delay in the turn-around time on claims the Service Provider will, as soon as possible after the Service Provider becomes aware of the delay or the possibility of the delay, inform the Municipality of the delay and provide reasons for the delay.”

8. Penalties

The following penalties will be levied if the Service Provider does not comply with the turn-around times as set out in Clause [6.2.3].

Penalty structure example:

- 1 day delay in turn-around time Insert penalty amount
- 2 day delay in turn-around time
- 3 day delay in turn-around time
- 4 day delay in turn-around time
- 5 day delay in turn-around time

9. Confidentiality Clause

1. Except as otherwise provided in this clause, the terms and conditions of this SLA, all data, reports, records and other information of any kind whatsoever developed or acquired by any Party in connection with this SLA (the confidential information) shall be treated by the other Party as confidential. Neither Party shall reveal or otherwise disclose such confidential information to any third party without the prior written consent of the other Party and shall take all reasonable steps and precautions to ensure that such information remains strictly confidential and that any third party does not obtain access thereto or knowledge thereof. The foregoing restrictions shall not apply to the disclosure if necessary confidential information to employees, agents or contractors of the Parties. Any third party that may become privy to such information shall first undertake in writing to protect the confidential information thereof.
2. The confidential undertaking in this clause shall not apply in respect of confidential information within the public domain or a Party's knowledge at the commencement of this SLA or to the disclosure required to satisfy an order of court, to comply with the provisions of any law or regulation in force from time to time.
3. The Parties shall not at any time during the term of this SLA, release any statement to the press, or make any other public statements of any nature which could reasonably be expected to be published in any media regarding the relationship between the Parties or the subject matter of this SLA without the prior written consent of the other Party.”

10. Force Majeure Clause

1. Should circumstances, which were not foreseeable with reasonable foresight or avoidable with reasonable care, arise which delay or have the potential to delay the provision of the Services, whether in whole or in part, the Service Provider must advise the Municipality as soon as possible.
2. These circumstances may include, but are not limited to, the following: war, riot, civil unrest, labour unrest, general strikes, natural disasters.

Handwritten signature and initials in the bottom right corner of the page.

3. The Service Provider shall, in good faith, take all reasonable steps to mitigate against the delay of delivering the service.
4. Neither Parties shall be considered in breach of this Contract to the extent that performance of their respective obligations (excluding payment obligations) is prevented by an Event of Force Majeure that arises after commencement of this SLA.
5. As soon as reasonably practicable following the date of commencement of a Force Majeure Event, and within a reasonable time following the date of termination of a Force Majeure Event, any Party invoking it shall submit to the other Party reasonable proof of the nature of the Force Majeure Event and of its effect upon the performance of the Party's obligations under this Agreement.

9. The Remuneration, Expenses, Premium, and Commission

Annual Escalations will apply in accordance with CPI on each year anniversary of the Commencement Date (i.e. 01 July 2020) of this SLA”.

CPI, for the purposes of this Clause, will mean the average annual rate of change (expressed as a percentage) in the Consumer Price Index, as published in the Government Gazette by Statistics South Africa, or such other index reflecting the official rate of inflation in the Republic of South Africa as may replace it, which annual change shall be determined by comparing the most recently published index with the index published in respect of the corresponding month in the previous year.

9.1 Fee component of our remuneration

Based on the service plan for 01 July 2020 to 30 June 2021, the Municipality has agreed to pay the Service Provider as follows:

MONTHLY (12 months)

R599,899.48 for the Municipality Assets


R260,416.67 for the Go-George Busses

ANNUALLY

R1,534,680.00 for the Go-George Busses Sasria

R 182 520.00 Go-George Busses Passenger Liability

- 9.2. The Service Provider will provide an invoice to The Municipality each calendar month. The invoice shall set forth the total fee payable, including
 - a. component of the remuneration, the commission component of the remuneration and any other fees for services rendered;
 - b. the invoice number; and
 - c. VAT
- 9.3 The Municipality will verify the correctness of an invoice and notify the Service Provider of any possible discrepancies within ten (10) business days of receipt of the invoice. If the Municipality identifies any material discrepancies, the invoice will be referred back to the Service Provider, and the amount due will be payable within thirty (30) calendar days from receipt of a corrected invoice. Undisputed amounts of an invoice will be paid by the Municipality in accordance with clause [xx].



- 9.4. The Municipality shall make payment of correct invoices within thirty (30) days of the invoice date.
- 9.5 All payments shall be made in South African Rand currency by way of an electronic banking transfer into the bank account of the Service Provider (located in the Republic of South Africa), details of which will be specified in the relevant invoice, quoting the invoice number against which payment is to be made.
- 9.6 The Municipality shall have the right to set-off any overpayments against any subsequent payments payable to the Service Provider. However, the Service Provider shall in the first instance be responsible for immediately refunding any overpayments.

9.2 Commission component of our remuneration

In addition to our fee, you have agreed that we will receive commission at ordinary commercial rates for the following classes of insurance placement:

- 9.2.1 set out all placements upon which it is agreed we will earn commission on all classes including Sasria
- 9.2.2 This type of remuneration is standard for insurance brokers and our rates of commission typically range from [13% to 20%] of the premium depending on the class of insurance. The insurer pays us out of its premium.

9.3 Additional terms regarding our remuneration

- 9.3.1 Opulentia Financial Services will bring policy up to date with endorsements as instructed by you with a fee of R200 per endorsement.
- 9.3.2 If you have any queries or require further detail in relation to any aspect of our remuneration, please contact your Opulentia Financial Services representative at any time.

10. Additional Services

- 10.1 We shall, if possible, provide you with additional services upon your request. Such services shall only be rendered if you agree to our proposed charges for rendering such additional services. The services include, but are not limited to, the following:
- 10.2 The provision of quotations for, and the subsequent placement and handling of, cover in respect of any risk capable of transference to the insurance market which is identified by you or us after the inception of this Agreement.
- 10.3 Risk management services at a strategic or operational level requiring the input of our specialist consultants or surveyors or the provision of analytical tools.
- 10.4 Provision of advice and/or solutions using alternative risk finance techniques.

A handwritten signature in black ink is written over a rectangular stamp. The signature is cursive and appears to be 'L. B. ...'. The stamp is partially obscured by the signature.

11. PROFESSIONAL INDEMNITY

Opulentia Financial Services standard limit for Professional Indemnity is R 100 000 000 at no additional charge and is not subject to an aggregate limit.

12. GENERAL

12.1 If any term of this Agreement is found to be illegal, invalid or unreasonable under any applicable law, regulations or material pronouncements, or invalid or unenforceable under codes of conduct, statements of practice, directions or guidelines issued by any regulator or relevant professional body, then such term shall, insofar as it is severable from the remaining terms, be deemed to be omitted from the Agreement and shall in no way affect the legality, validity or enforceability of the remaining terms, which will remain in full effect.

12.2 The terms of this Agreement constitute the entire understanding and agreement between the parties; supersede all prior communications, agreements and understandings of the parties with regard to the subject matter of this Agreement. The parties agree that no rights to damages or to claim loss from the other arise from any termination of any prior agreement by this Agreement.

12.3 Any alterations, addition or modification of this Agreement must be agreed in writing between the parties.

12.4 In the event of there being any inconsistency or conflict between this Agreement and Nico Swart Consultancy's standard written "Terms and Conditions of Business", then this Agreement will apply

13. Governing Law

It is agreed that our contractual relationship with you is governed by the laws of the Republic of South Africa.

14. Dispute Resolution

It is agreed that, in the event of a dispute arising between us, we will first try to resolve that dispute by way of mediation.

However, if we are unable to resolve that dispute by mediation within 1 month after it has arisen, then we agree that such dispute will be dealt with by way of arbitration in accordance with the rules of The Arbitration Foundation of Southern Africa.

Such arbitration proceedings shall be held in Cape Town and conducted in English.



Signed at Somerset West on this the 13 of August 2020

For: **Opulentia Financial Services**

Duly Authorised _____

Name: **JOHAN NICO SWART**

Signed at George on this the 19 of August 2020

For: **George Municipality**

Duly Authorised _____

Name:

Designation:

Wallace
Leon E. Wallace
Acting CFO



ROUTE FORM

Reference: HR
 Enquiries: Nicole Juries
 Telephone: 044 801 9470

The signatories below hereby declare that all applicable policies and legislation have been adhered to in line with fiduciary duties and delegations. No relevant challenges and/or disputes were identified for the Municipal Manager to consider, before authorising the letter/contract/agreement.

FROM:	DIRECTORATE: FINANCIAL SERVICES		
Date: 13 AUG 2020	Track No:	File No:	
SUBJECT:	Contract : Silver Lake Trading 305 (PTY) t/a Opuentia Financial Services		

1. FROM RESPONSIBLE OFFICIAL:			
ADA Visser		Signed: <i>ADA Visser</i>	
Date: 13 AUG 2020	Date Due (optional):		Date: 13.8.2020.
Action Required: Contract for signature			
2. TO RESPONSIBLE OFFICIAL: CFO			
L Wallace		Signed: <i>L Wallace</i>	
Date:	Date Due (optional): N/A		Date: 13/8/2020
Action Required: Die premies word aangepas met bybetalings. George dink sal diemooreekomstig ingelig word.			
3. TO RESPONSIBLE OFFICIAL: SCM Manager			
M Gericke		Signed: <i>M Gericke</i>	
Date:	Date Due (optional): N/A		Date: 14/8/2020
Action Required:			
4. TO RESPONSIBLE OFFICIAL: Legal Department			
		Signed: <i>P. P. P. P.</i>	
Date	Date Due (optional): N/A		Date: 13 Aug 2020
Action Required: For perusal			
5. TO RESPONSIBLE OFFICIAL: MUNICIPAL MANAGER			
T BOTHA		Signed: <i>T Botha</i>	
Date:			
Support / Not supported / Noted / Approve / Not Approve / Amendments			
** Please note: A 3-day turnaround time applies for all documents to be signed / authorised			Date: 19/09/2020

CONTRACT ADDENDUM

between

GEORGE MUNICIPALITY

and

SILVER LAKE TRADING 305 (PTY) LTD t/a OPULENTIA FINANCIAL SERVICES

**TENDER: FIN18/2019 – SHORT TERM INSURANCE SERVICE FOR A PERIOD
OF THREE (3) YEARS (1 JULY 2020 – 30 JUNE 2023)**

This document serves as an addendum to and will give effect to extension of the
existing agreement between the said parties, signed on

13 August 2020

The agreement is extended as follows:

EXCESS ON BUSES

An excess amount of R 1000,00 will be payable on every bus claim submitted.

The service provider, **SILVER LAKE TRADING 305 (PTY) LTD t/a OPULENTIA
FINANCIAL LTD SERVICES** and **George Municipality** both acknowledge that this
addendum have been read, it is understood and the parties agree to be bound by its
terms and conditions in addition to the signed Agreement.

GEORGE MUNICIPALITY

Signed at **GEORGE** on the 19 August **2020**.

NAME IN PRINT : **TREVOR BOTHA**

POSITION : **MUNICIPAL MANAGER**

SIGNATURE : 

Handwritten initials and date:
J. Av
19/8/20

**SILVER LAKE TRADING 305 (PTY) LTD t/a OPULENTIA FINANCIAL LTD
SERVICES**

Signed at..... this..... day of2020.

NAME IN PRINT :

POSITION :

SIGNATURE :

Handwritten initials and scribbles in the bottom right corner, including "AV" and other illegible marks.