

ANNEXURE PV 19



10 December 2013

Anoj Singh
Group Chief Financial Officer
Transnet SOC Limited
Carlton Centre
150 Commissioner Street
Johannesburg
2001

Email: anoj.singh@transnet.net

Dear Anoj

NOTICE OF EXTENSION – MASTER SERVICES AGREEMENT BETWEEN TRANSNET AND NEOTEL DATED 11 DECEMBER 2007 (“MSA”)

Following our letter of 5 December 2013, we had numerous discussions and meetings to deliberate mutually acceptable terms of an extension of the MSA.

It is to be noted that the initial term of the MSA expired on 31 March 2013. Following the expiry of the initial term, the Parties mutually agreed to extend the duration of the MSA to 31 August 2013 and thereafter to 31 October 2013. The Parties now wish to further extend the duration of the MSA for a period of 12 months commencing on 01 November 2013.

Neotel thus proposes an extension of the MSA on the following terms and conditions:

1. The MSA be extended from 1 November 2013 for a fixed period of 12 months expiring on 31 October 2014 (“Third Extension”).
2. The price for the Third Extension shall be a flat rate of R50 000 000,00 per month (excluding VAT) notwithstanding that during the period of this Third Extension, Transnet elects to migrate one or more Services to its incumbent, or any other, service provider. The flat rate will be due and payable on the last working day of each month. As previously agreed, this amount includes an additional 5% usage fee over and above the agreed volume limit as at 31 March 2013.
3. The price in paragraph 2 shall exclude charges for actual voice and data usage over and above the 5% limit referred to in paragraph 2. The usage charges for voice and data over and above this 5% threshold will be billed separately monthly in arrears in accordance with the terms and conditions of the MSA, save that payment shall be made on the last working day of the month from when the invoice or statement is dated and not 30 days from such date of invoice or statement.
4. An order for the required upgrade of the technology as advised in our letter of 26 November 2013 is placed on Neotel on or before 13 December 2013. Please see attached proposal setting

www.neotel.co.za

Neotel (Pty) Ltd

Reg No. 2004/004619/07

44 Old Pretoria Main Road, Halfway House, Midrand, 1685, Gauteng South Africa
Telephone number +27 (0)11 585 0000 Facsimile number +27 (0)11 585 0001

DIRECTORS: N Srinath* (Non-Executive Chairman) S Joshi**** (Managing Director & Chief Executive Officer) S Bawa** C Sassoulas***
A Chawan* XK Meman* FJP Ndoroma** SS Ntsaluba SG Ranade*

ALTERNATE DIRECTORS: WM van der Vyver**

(*Inda. **Namibia. ***French. ****New Zealand)



our the technology upgrade required. Ownership in all CISCO equipment procured in terms of this technology upgrade will pass to Transnet SOC once paid for in full.

- 5. For the duration of this Third Extension and for the period of the transition as provided for in the MSA and referred to in 6 below, Transnet shall not increase either directly or indirectly the current cost for telecommunications facilities utilised by Neotel, including but not limited to, site rental charges, facilities rental, fibre leasing, etc.
- 6. This Third Extension excludes all costs in relation to transitioning the current services as provided for in the MSA. The Parties agree that the costs for transitioning the current services will be determined and agreed in a separate transition plan in accordance with the provisions of the MSA after the Parties in conjunction with Transnet's incumbent service provider for network services have agreed the full scope of the transition required.
- 7. After the expiry of this Third Extension, should Neotel, whether expressly, tacitly or by inference, be required to continue to provide the Services, such Services will be provided on the same terms and conditions of this Third Extension, save that the flat rate in 2 above shall increase by the CPIX rate applicable at the time of the expiry of this Third Extension.
- 8. Neotel accepts the outcome of the RFP process for the provision of network services and acknowledges both the award to T-Systems South Africa (Pty) Ltd as the successful bidder and the letter of rejection Neotel received as an unsuccessful bidder.

Sincerely

Francois van der Merwe
General Manager: Strategic Accounts

ACCEPTED FOR AND ON BEHALF OF TRANSNET SOC LIMITED:

NAME: B. Molega

SIGNATURE:

DESIGNATION: SCE

DATE: 11.12.13.



www.neotel.co.za

Neotel (Pty) Ltd

Reg No. 2004 004619/07

44 Old Pretoria Main Road Halfway House Midrand 1685, Gauteng South Africa

Telephone number +27 (0)11 585 0000 Facsimile number +27 (0)11 585 0001

DIRECTORS: N Singh* (Non-Executive Chairman) S Joshi**** (Managing Director & Chief Executive Officer) S Baweja* C Sassoulas***

R Chawar* KK Memani FJP Ndoroma** SS Ntsakuba SG Ranade*

ALTERNATE DIRECTORS: WM van der Vyver**
(*India, **Namibia, ***French, ****New Zealand)



QUOTATION

Transnet

Customer Details	
BRB Name :	Carlton Centre
Attention :	
Client name :	Transnet Corporate
Address :	155 Commissioner Street Carlton Centre
QUOTE No :	1003307
Contact Person :	Gerrie Van Der Westhuizen
Telephone No. :	
Reference No. :	1003307

VAT Number:	460224455
Regional Office:	Midrand
Key Account Manager:	Ryan Parbhunath
Created by:	Ryan Parbhunath
Contact Date :	10-Dec-13

We have the pleasure in submitting a quotation as per our understanding of your requirements:

Customer Requirements

Supply replacement Cisco Switches to Transnet Network. Upgrade Avaya Software version from CM3-5 to CM6


Item Number	Description	TYPE	UOM	UNIT PRICE	QTY	Non Recurring Cost (NRC)	Monthly Recurring Cost (MRC)
Service Enablement Hardware							
	1941 Router - 2x HWIC's						
	Cisco 1941 w/2 GE 2 HWIC slots 256MB CF 512MB DRAM IP Base			12,436.64	1	12,436.64	
	PRTNR SS 8X5XN8D Cisco 1941 w/2 GE2			273.53	1	273.53	
	Cisco 1900 IOS UNIVERSAL			0.00	1		
	Date License for Cisco 1900			4,676.10	1	4,676.10	
	2-Port Serial WAN Interface Card			5,465.45	2	10,930.90	
	Cisco 1941 AC Power Supply			0.00	1		
	AC Power Cord (South Africa) C13 BR 546 1 0m			0.00	1		
	7.21 Cable DTE Male to Smart Serial 10 Feet			778.35	4	3,113.40	
	IP Base License for Cisco 1900			0.00	1		
	Cisco Config Pro Express on Router Flash			0.00	1		
	512MB Default DRAM for Cisco 1941 ISR			0.00	1		
	256MB Compact Flash for Cisco 1900 2808 3800 (ISR)			-0.00	1		
	Insert Packout - PI-MSE			0.00	1		
	3650 24Port - IP Base						
	Cisco Catalyst 3650 24 Port PoE 2x10G Uplink IP Base			51,437.10	197	10,133,108.79	
	PRTNR SS 8X5XN8D Cisco Catalyst 3650 24 Port PoE 2x10G Up			1,885.06	197	331,856.82	
	CAT3650 Universal 69 image			0.00	197		
	840W AC Config 2 Power Supply			0.00	197		
	India AC Type A Power Cable			0.00	197		
	10GBASE-LR SFP Module						
	10Gig SFP's						
	10GBASE-LR SFP Module			31,125.04	564	17,560,162.00	
	3850 24Port - IP Services						
	Cisco Catalyst 3850 24 Port PoE IP Services			80,080.55	4	352,266.20	
	PRTNR SS 8X5XN8D Cisco Catalyst 3850 24 Port PoE IP Servi			1,885.20	4	7,452.80	
	India AC Type A Power Cable			0.00	4		
	Cisco Catalyst 3850 2 x 10GE Network Module			10,483.75	4	17,825.00	
	CAT3850 UNIVERSAL			0.00	4		
	56CM Type 1 Stacking Cable			0.00	4		
	Catalyst 3750X Stack Power Cable 30 CM			0.00	4		
	715W AC Config 1 Power Supply			0.00	4		
	3850 48Port - IP Services						
	Cisco Catalyst 3850 48 Port PoE IP Services			163,683.60	51	8,346,836.58	
	PRTNR SS 8X5XN8D Cisco Catalyst 3850 48 Port PoE IP Servi			3,317.42	51	169,189.32	
	India AC Type A Power Cable			0.00	51		
	Cisco Catalyst 3850 4 x 10GE Network Module			31,174.00	51	1,589,874.00	
	CAT3850 UNIVERSAL			0.00	51		
	50CM Type 1 Stacking Cable			0.00	51		
	Catalyst 3750X Stack Power Cable 30 CM			0.00	51		
	715W AC Config 1 Power Supply			0.00	51		
	Avaya Software Upgrade - CM3-5 to version CM6, refer Anax Site List				119	18,000,000.00	
SUB TOTAL EXCLUDING VAT						R 55,690,199.90	R 0.00
VAT @ 14%						R 7,824,028.73	R 0.00
TOTAL						R 64,624,217.83	R 0.00

Terms & Conditions	
1.	This quotation is valid for 30 days, subject to change without prior notice and foreign exchange variations 703 x R10.82
2.	Pricing is based on the requirements received from Transnet
3.	EOOE - (Errors and Omissions Excluded)
4.	The terms and conditions of the T&SA between Transnet and Neotel apply to this quotation
5.	This quote is based on the quantities reflected. If such quantities are reduced during the contract term, the price will be adjusted to reflect the major contracted revenue.
6.	Added Terms and Conditions attached as Addendum A: Applicable: <input type="checkbox"/>

Assumptions and Exclusions	
Pricing excludes installation charges, Project Management Fees and Management Monthly Charges	

Print by supply only

Details of person providing quotation :

Name : Ryan Parbhunath
Tel : 0115861837
Fax : 0115853237
Cell : 9833831423
E-mail : ryan.parbhunath@reault.co.za
Signature : 

Acceptance by Transnet :

Name : _____
Signature : _____
Account No. : _____
Date : _____
Purchase Order #: _____
Signature: _____



PROPOSAL SUBJECT TO THE MASTER SERVICES AGREEMENT	
This Proposal is submitted to Transnet SOC Limited on the basis that the supply of the products and services set out in the Proposal ("Specified Services") will be undertaken in accordance with, and be subject to, the terms and conditions of the existing signed Master Services Agreement dated 11 December 2007 in place between Neotel (Pty) Ltd and Transnet SOC Limited ("Agreement"). In the event that the Agreement terminates for whatever reason before the expiry of the term of the Specified Services in this Proposal, all rights and obligations in relation to the provision of the Specified Services shall continue, in full force and effect, in accordance with the terms and conditions of the Agreement as if the Agreement had not been terminated, until the expiry of the term of the Specified Services.	
Early Termination Fees	
In the event that Transnet terminates the Specified Services prior to the expiry of the term specified in this Proposal due to no fault on the part of Neotel, early termination fees shall be imposed and calculated based on the outstanding fees and charges for the Specified Services as at the date on which Neotel will discontinue provision of the Specified Services to Transnet, and will be determined as follows:	
Service Enablement Hardware	
100% of the fees relating to the Service Enablement Hardware for the term as set out in this Proposal.	
Upon the full settlement of the amounts due and payable hereof, Transnet has the option to request Neotel to code the hardware to Transnet at which point Neotel will transfer all risk and ownership of the hardware to Transnet. The early termination fees paid for by Transnet will be deemed as final settlement for the Service Enablement Hardware.	
Monthly Service Fees	
For monthly service fees (excluding Service Enablement Hardware) included in this Proposal for Specified Services, the following early termination fees shall apply calculated, based on the outstanding service fees and charges as at the date on which Neotel will discontinue provision of the Specified Services:	
In the event that the remaining term of the Specified Services is 12 (twelve) months or less, 100% of the service fees and charges will be due.	
In the event that the remaining term for the Specified Services is greater than 12 (twelve) months, 100% of the service fees and charges for the first 12 (twelve) months and 50% of the service fees and charges for each month thereafter until the end of the term specified in this proposal.	
Once off Costs (NRC)	
Upon installation of service 100% of Once off costs will be due and payable to Neotel.	
Accepted on behalf of Transnet SOC Limited.	

	SITE NAME	SOFTWARE VERSION	
1	Cape Town Trunk	R015x.01.1.415.1	CM5
2	Cape Town Harbour Container Bldg	R015x.01.0.414.3	CM5
3	Cape Town Harbour Portnet House	R015x.01.0.414.3	CM5
4	Bellville	R014x.00.4.739.0	CM4
5	Bellville Propnet Building	R015x.02.0.947.3	CM5
6	Salt River	R015x.02.0.947.3	CM5
7	Huguenot	R014x.00.4.739.0	CM4
8	Malmesbury	R014x.00.4.739.0	CM4
9	Saldanha Bay	R014x.00.4.739.0	CM4
10	Saldanha Harbour	R014x.00.4.739.0	CM4
11	Saldanha NPA Building	R014x.00.4.739.0	CM4
12	Beaufort West	R015x.02.0.947.3	CM5
13	Hutchinson	R014x.00.4.739.0	CM4
14	Laingsburg	R014x.00.4.739.0	CM4
15	Worcester	R015x.02.0.947.3	CM5
16	Klawer	R014x.00.4.739.0	CM4
17	George	R014x.00.4.739.0	CM4
18	Mossel Bay	R014x.00.4.739.0	CM4
19	Kimberley	R013x.01.2.632.1	CM3
20	Warrenton	R015x.02.0.947.3	CM5
21	Sishen	R015x.02.0.947.3	CM5
22	De Aar	R015x.02.0.947.3	CM5
23	Postmasburg	R015x.02.0.947.3	CM5
24	Uptington	R015x.02.0.947.3	CM5
25	Klerksdorp	R015x.02.0.947.3	CM5
26	Coligny	R015x.02.0.947.3	CM5
27	Mafikeng	R015x.02.0.947.3	CM5
28	Bloemfontein Trunk	R014x.00.4.739.0	CM4
29	Bloemfontein Transwerk	R014x.00.4.739.0	CM4
30	Kroonstad	R015x.02.0.947.3	CM5
31	Sasolburg	R014x.00.4.739.0	CM4
32	Welkom	R014x.00.4.739.0	CM4
33	Bethlehem	R015x.02.0.947.3	CM5
34	PE North End Trunk	R014x.00.4.739.0	CM4
35	PE Coega Harbour	R015x.02.0.947.3	CM5
36	PE Deal Party	R015x.02.0.947.3	CM5
37	PE Sturrock	R015x.02.0.947.3	CM5
38	PE Port Captain	R015x.02.0.947.3	CM5
39	PE Swartkops	R015x.02.0.947.3	CM5
40	Alicedale	R014x.00.4.739.0	CM4
41	Rossmead	R014x.00.4.739.0	CM4
42	Uitenhage	R015x.02.0.947.3	CM5
43	Cuyler Manor	R015x.02.0.947.3	CM5
44	Cookhouse	R014x.00.4.739.0	CM4
45	Cradock	R014x.00.4.739.0	CM4
46	Noupoort	R014x.00.4.739.0	CM4
47	East London Trunk	R015x.02.0.947.3	CM5
48	Cambridge	R015x.02.0.947.3	CM5
49	Queenstown	R014x.00.4.739.0	CM4
50	Burgersdorp	R014x.00.4.739.0	CM4
51	Durban Trunk	R015x.02.0.947.3	CM5
52	Kingsmead	R015x.02.0.947.3	CM5
53	Empangeni	R014x.00.4.739.0	CM4
54	Empangeni RMO	R014x.00.4.739.0	CM4
55	Richards Bay	R014x.00.4.739.0	CM4
56	Richards Bay Bayvue	R014x.00.4.739.0	CM4
57	South Dunes RCB	R014x.00.4.739.0	CM4

58	Nsese	R014x.00.4.739.0	CM4
59	Estcourt	R014x.00.4.739.0	CM4
60	Glencoe	R014x.00.4.739.0	CM4
61	Ladysmith	R015x.02.0.947.3	CM5
62	Pietermaritzburg	R015x.02.0.947.3	CM5
63	Mason's Mill	R015x.02.0.947.3	CM5
64	Newcastle	R015x.02.0.947.3	CM5
65	Pinetown	R015x.02.0.947.3	CM5
66	Stanger	R014x.00.4.739.0	CM4
67	Vryheid	R014x.00.4.739.0	CM4
68	Johannesburg Trunk	R015x.02.0.947.3	CM5
69	Luipaardsvlei	R015x.02.0.947.3	CM5
70	Sivewright	R015x.02.0.947.3	CM5
71	Wellington Street	R015x.02.0.947.3	CM5
72	Carlton Centre	R014x.00.0.730.5	CM4
73	Kaserne	R013x.01.2.632.1	CM3
74	City Deep	R013x.01.2.632.1	CM3
75	City Deep Freight Dynamics	R014x.00.0.730.5	CM4
76	Germiston	R013x.01.2.632.1	CM3
77	Natalspruit	R014x.00.0.730.5	CM4
78	Isando	R014x.00.0.730.5	CM4
79	Isando Protekon	R015x.02.0.947.3	CM5
80	Benoni	R014x.00.0.730.5	CM4
81	Springs	R015x.02.0.947.3	CM5
82	Sentrarand	R015x.02.0.947.3	CM5
83	Trichardt	R014x.00.0.730.5	CM4
84	Heidelberg	R014x.00.0.730.5	CM4
85	Vereeniging	R015x.02.0.947.3	CM5
86	Langlaagte	R015x.02.0.947.3	CM5
87	Rodepoort	R014x.00.0.730.5	CM4
88	Krugersdorp	R015x.02.0.947.3	CM5
89	Randfontein	R014x.00.0.730.5	CM4
90	Potchefstroom	R014x.00.0.730.5	CM4
91	Standerton	R015x.02.0.947.3	CM5
92	Pretoria Trunk	R015x.01.0.414.3	CM5
93	Pretoria Translux	R014x.00.4.739.0	CM4
94	Capital Park	R015x.02.0.947.3	CM5
95	Koedoespoort	R015x.01.0.414.3	CM5
96	Pretoria North	R014x.00.4.739.0	CM4
97	Pyramid Sourh	R014x.00.4.739.0	CM4
98	Witbank	R013x.00.1.346.0	CM3
99	Rustenburg	R014x.00.4.739.0	CM4
100	Waterval Boven	R014x.00.4.739.0	CM4
101	Nelspruit	R013x.00.1.346.0	CM3
102	Ogies	R015x.02.0.947.3	CM5
103	Piet Retief	R014x.00.0.730.5	CM4
104	Ermeio	R015x.02.0.947.3	CM5
105	Kilner Park	R014x.00.4.739.0	CM4
106	Nylstroom	R014x.00.4.739.0	CM4
107	Potgietersrus	R014x.00.4.739.0	CM4
108	Pietersburg	R014x.00.4.739.0	CM4
109	Louis Trichardt	R014x.00.4.739.0	CM4
110	Messina	R014x.00.4.739.0	CM4
111	Middelburg	R014x.00.4.739.0	CM4
112	Tzaneen	R014x.00.4.739.0	CM4
113	Belfast	R014x.00.4.739.0	CM4
114	Kaapmuiden	R014x.00.4.739.0	CM4
115	Komatipoort	R014x.00.4.739.0	CM4
116	Lydenburg	R014x.00.4.739.0	CM4

117	Phalaborwa	R014x.00.4.739.0	CM4
118	Hoedspruit	R014x.00.4.739.0	CM4
119	Esselen Park	R014x.00.0.730.5	CM4

