SERVICE LEVEL AGREEMENT CONTRACT FOR

MPESA, SMS and ESB SOLUTION

BETWEEN

OCCIDENTAL INSURANCE COMPANY LIMITED

AND

DYNAMIC MOBILITY TECHNOLOGY LTD

Revision History

Revision #	Date	Author	Comment
1.0	19 SEP 2019	Mathew Ndogoh /Emmanuel Ochieng'	Original Document
1.1	08 Apr 2020	Mathew Ndogoh /Emmanuel Ochieng'	Revised Document
1.2	27 June 2022	Mathew Ndogoh /Danson Mwaura	Revised Document

Table of Contents

Executive Summary

THIS AGREEMENT is made this day 27 June 2022 BETWEEN DYNAMIC MOBILITY TECHNOLOGY LTD a limited liability company of P.O. Box 988-00515, Nairobi (hereinafter called "the COMPANY" which expression shall where the context so admits include its successors and assigns) of the one part and OCCIDENTAL INSURANCE COMPANY LIMITED a limited company for purposes hereof of, P.O. Box 39459 - 00623, Nairobi, (hereinafter called "the Customer" which expression shall where the context so admits include its successors and assigns).;

Confidentiality Statement

This document contains confidential and proprietary information of Dynamic Mobility Technology Ltd (the "service provider") and OCCIDENTAL INSURANCE COMPANY LIMITED, which must be kept confidential. Duplication or use other than for evaluation purposes in connection with negotiating and implementing a definitive written Agreement for the provision of application maintenance outsourcing services is strictly prohibited. This document must be returned to DYNAMIC MOBILITY TECHNOLOGY LTD in the event such an Agreement is not enacted.

 WHEREAS

The Company has agreed to provide to the Customer certain services in respect of maintenance of the software listed in the schedule hereto upon the terms and conditions set out hereunder

1. DEFINITIONS

1.1 In this Agreement unless the context otherwise requires:

"**COMMENCEMENT DATE**" means 1 June 2022 upon which this Agreement shall commence and remain in effect until the TERMINATION DATE.

"**TERMINATION DATE**" means the date set out in the schedule upon which this Agreement shall cease to be valid between the Customer and the Company or the date in respect of the provision set out in clause 12 below.

"**ADDITIONAL CHARGES**" means the charges to be calculated and payable to the Company on a time and material basis at an agreeable rate in respect of the provision of enhancement requests made on the Software by the Customer.

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"SOFTWARE" means all the programs and related files of the **DYNAMIC MOBILITY TECHNOLOGY (MPESA(C2B), SMS, ESB)** computer software supplied

"ADDITIONAL SERVICES" means those services referred to in clause 6 below which do not fall within "Maintenance Services.

"MAINTENANCE PERIOD" means the period of 12 (twelve) months commencing on the COMMENCEMENT DATE.

"MAINTENANCE CHARGES" means the aggregate annual charge for the MAINTENANCE SERVICES calculated in accordance with clause 3.1 below and set out in the schedule.

"MAINTENANCE SERVICES" means the provision of Preventative Maintenance Curative Maintenance, user queries and reporting as defined in clause 4 below.

"PLACE OF USE," means that part of the Customer's premises where the SOFTWARE is installed and operated.

"SITE" means the Customer's location where the SOFTWARE is used and where the MAINTENANCE SERVICES will be provided by the Company.

2. COMPANY'S UNDERTAKINGS

2.1 In consideration of the payment by the CUSTOMER of the MAINTENANCE CHARGES in accordance with the provisions of clause 3 below the COMPANY undertakes to provide the MAINTENANCE SERVICES in respect of the SOFTWARE upon the terms and conditions of this Agreement.

3. MAINTENANCE CHARGES
 3.1 The annual MAINTENANCE CHARGES at the date hereof in respect of each SITE of the SOFTWARE as set out in the schedule. The aggregate of such annual MAINTENANCE CHARGES shall constitute the MAINTENANCE CHARGES for the purpose of this Agreement.

3.2 The COMPANY shall not be entitled to vary the MAINTENANCE CHARGES during the period of (12) months commencing on the COMMENCEMENT DATE. Thereafter the COMPANY shall be entitled to vary the MAINTENANCE CHARGES upon giving not less than (90) ninety days prior written notice of increase to the Customer.

3.3 The MAINTENANCE CHARGES shall include the travel accommodation and subsistence expenses of the COMPANY's employees (including the cost of, time spent traveling) incurred in the provision of the MAINTENANCE SERVICES for the Nairobi SITE's only and only during regular office hours.
3.4 The MAINTENANCE CHARGES shall not include the cost of any ADDITIONAL SERVICES.

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The MAINTENANCE CHARGES shall be payable by the CUSTOMER annually in advance. MAINTENANCE CHARGES shall be payable by the Customer within (30) thirty days of receipt of an invoice thereof. Unless there is an adequate reason for withholding payment.

4. MAINTENANCE SERVICES

4.1 MAINTENANCE SERVICES shall comprise the provision by the COMPANY of "Preventative Maintenance" "Curative Maintenance", "User queries" and "Reporting" (as respectively defined in clauses 4.2, 4.3, 4.4 and 4.5 below) in respect of each item of SOFTWARE at the PLACE OF USE.

4.2 Preventative maintenance shall comprise:

4.2.1 A routine inspection and testing (by attendance on site or remotely) by the COMPANY 's recommendations in consultation with the client.

4.2.2 The carrying out by the COMPANY of such updates, replacement of parts of the SOFTWARE code as the COMPANY shall deem necessary as a result of the said inspection and testing.

4.3 Curative Maintenance shall comprise:

4.3.1. Upon receipt of a request from a Customer the inspection, testing and diagnosing (by attendance on site or remotely) by the COMPANY of any fault reported in an item of SOFTWARE; and

4.3.2. The carrying out by the COMPANY of such amendment, replacement of parts of the SOFTWARE code as the COMPANY shall judge necessary to remedy the said fault.

4.4 User queries on the SOFTWARE changes shall comprise the queries the user may have on the day to day usage of the software. Queries will be answered within 48 hours from time of receipt of query.

4.5 Reporting on the SOFTWARE shall comprise of the submission of bi-annual detailed reports on the MAINTENANCE SERVICES rendered by the COMPANY to the customer.

5. TIMES FOR MAINTENANCE SERVICES

5.1 Curative Maintenance will be provided upon request by the Customer between the hours of 7:00 AM and 6.00 PM Mondays through Fridays (excluding public holidays). The COMPANY will use reasonable endeavours to respond to a request for Curative Maintenance within (24) twenty-four hours of receipt of the same.

5.2 Preventative Maintenance and User queries will be provided at such times during weekends as shall from time to time be agreed between the COMPANY and the Customer.

6. ADDITIONAL SERVICES

6.1 The MAINTENANCE SERVICES shall not include:

6.1.1 The correction of any fault due to:

6.1.1.1 The Customer's failure to maintain a suitable environment which includes:

- Air Conditioners for humidity control
- Dust filters
- UPS for the server running the software or the SOFTWARE at the PLACE OF USE in accordance with the COMPANY 's written specifications therefore including without limitation failure to maintain a constant power supply, air conditioning for humidity control.

6.1.1.2 The Customer's neglect or misuse of the SOFTWARE or its failure to operate the SOFTWARE in accordance with the COMPANY's instruction manuals or for the purposes for which it was designed.

6.1.1.3 The alteration, modification or Maintenance of the SOFTWARE by any party other than the COMPANY without the COMPANY's prior consent; which shall not be unreasonably withheld.

6.1.1.4 The transportation or relocation of the SOFTWARE save where the same has been performed by or under the direction of the COMPANY;

6.1.1.5 The use of defective or inappropriate supplies with the SOFTWARE; including without limitation defective and substandard, Paper, Backup material.

6.1.1.6 Any defect or error in any software or hardware used upon or in association with the supplied SOFTWARE; including without limitation defective and substandard PC's and Servers.

6.1.1.7 Any accident or disaster affecting the SOFTWARE including without limitation fire, flood, water, wind, lightning, transportation vandalism or burglary; or

6.1.1.8 The Customer's failure or inability or refusal to afford the COMPANY's personnel proper access to the SOFTWARE; without any sufficient cause or reason.

6.1.2. The provision of supplies for the use in association with the Equipment;

6.1.3. With the exception of bug-fixes any modification or alteration of or attachment to the SOFTWARE or removal of any SOFTWARE code.

6.2. The COMPANY shall upon request by the Customer provide all or any of the ADDITIONAL SERVICES, within 48 hours on receipt of the request, referred to in clause 6.1 above but shall be entitled to charge for the same by levying ADDITIONAL CHARGES in the manner described in the clause below. The Company will respond to the Customer's request for Additional Services within 48hrs of the request.

6.3. Without prejudice to clause 6.2 above the COMPANY shall be entitled to levy ADDITIONAL CHARGES in the manner described in clause 6.4 below if MAINTENANCE SERVICES are provided in circumstances where any reasonably skilled and competent data processing operator would have judged the Customer's request to have been unnecessary.

6.4 ADDITIONAL CHARGES shall be levied by the COMPANY monthly in arrears and shall be payable by the Customer within (30) days of receipt of an invoice therefore.

7. CUSTOMER'S OBLIGATIONS

7.1. The Customer undertakes to the COMPANY throughout the term of this Agreement:

7.1.1. To grant the COMPANY such access to the PLACE OF USE as the COMPANY shall from time to time reasonably require in order discharge its obligations hereunder;

7.1.2. To make available at the PLACE OF USE such facilities as the   COMPANY shall reasonably require in order to discharge its obligation hereunder including without limitation adequate work space storage and office furniture and equipment;

7.1.3. To take all reasonable precautions to protect the health and safety of the COMPANY's employees while on the CUSTOMER's SITE; and

7.1.4 To make available the SOFTWARE and supply all documentation and other information necessary for the COMPANY to diagnose any fault in the Equipment.

7.1.5. To ensure that all SOFTWARE covered by this Agreement is powered through an uninterruptable power supply unit (U.P.S).

7.1.6. That the COMPANY shall have a free and unencumbered title to any replacement parts for the software supplied hereunder; and

7.1.7. That the COMPANY will enjoy quiet possession of any such replacement parts.

8. COMPANY'S WARRANTY

8.1 The COMPANY warrants and undertakes to the Customer:

8.1.1. To perform the MAINTENANCE SERVICES and any ADDITIONAL SERVICES in a professional manner;

8.1.2. To perform Maintenance Services so requested by the Customer; the Company shall perform the maintenance Services as per Schedule 3 below.

8.2 The COMPANY does not warrant that the MAINTENANCE SERVICES (or the ADDITIONAL   SERVICES) will cause the SOFTWARE to operate without interruption or error.

8.3 Subject to the foregoing all conditions warranties terms and undertakings express or implied or otherwise in respect of the performance by the COMPANY of the MAINTENANCE SERVICES or ADDITIONAL SERVICES hereunder are hereby included.

9. CUSTOMER'S REPRESENTATIVES

9.1 The Customer shall communicate to the COMPANY upon the date hereof the identity of the person(s) or the department within its undertaking at the SITE who shall act the sole contact point and channel of communication for the provision by the COMPANY of the MAINTENANCE SERVICES during the currency of this Agreement. The Customer shall forthwith inform the COMPANY of any change(s) in the identity of any such person(s) or department.

10. TERMINATION

10.1 This Agreement may be terminated:

10.1.1   Forthwith by either party giving not less than one month's notice in writing;

10.1.2. Forthwith by the COMPANY if the   Customer fails to pay the MAINTENANCE CHARGES or any ADDITIONAL CHARGES due hereunder within (14) fourteen days of the due date thereof; without any reasonable or justifiable cause.

10.1.3 Forthwith by the COMPANY or the CUSTOMER if either party commits any material breach of any term of this Agreement (other than one falling within clause 11. below) and which (in the case of a breach capable of being remedied) shall not have been remedied within (14) fourteen days of written request by the COMPANY or the CUSTOMER to remedy the same;

10.1.4 Forthwith by the COMPANY if the Customer shall convene a meeting of creditors or if proposal shall be made for a voluntary arrangement within the Companies Act (Cap 486) or a proposal for any other composition scheme or arrangement with (or assignment for the benefit of) its creditors or if the Customer shall be unable to pay its debts within the meaning of section 220 of the Companies Act (Cap 486) or if a trustee receiver or similar officer is appointed in respect of all or any part of the business or assets of the Customer or if a petition is presented or a meeting is convened for the purpose of considering a resolution or other steps are taken for the winding up of the Customer (otherwise than for the purpose of an amalgamation or reconstruction).

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10.1.5 Any termination of this Agreement pursuant to this clause shall be without prejudice to any other rights or remedies the COMPANY or the Customer may be entitled to hereunder or at law and shall not affect any accrued rights.

11. FORCE MAJEURE

Neither party shall be liable for any breach of its obligations hereunder resulting from causes beyond reasonable control including but not limited to fires, strikes, insurrection or riots, embargoes, container shortages, wrecks or delays in transportation inability to obtain supplies and raw materials requirements or regulations of any civil or military authority.

12. WAIVER

The Waiver by either party of a breach or default of any of the provisions of this Agreement by the other party shall not be construed as a waiver of any succeeding breach of the same or other provisions nor shall any delay or omission on the part of either party to exercise or award itself of any right power or privilege it has or may have hereunder operate as a waiver of any breach or default by the other party.

13. INVALIDITY & SEVEREBILITY

If any provision of this Agreement shall be found to be invalid or unenforceable by any court or administrative body of competent jurisdiction such invalidity or unenforceablity shall not affect the other provisions of this Agreement and all provisions not affected thereby shall remain in full force and nor shall such invalidity or unenforceability affect the rights or liabilities of either party nor the coming into or continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.

14. ENTIRE AGREEMENT AND AMENDMENTS

14.1 This Agreement, including all schedules hereto, constitutes the entire and sole Agreement between the Company and the Customer with respect to the subject matter herein.

14.2 This Agreement supersedes all prior understandings, arrangements or Agreements, whether verbal or written, between the Company and the Customer and neither party shall be held liable for loss or damage arising from or in connection with any such prior understandings, arrangements or Agreements.

14.3 Except as provided in this Agreement, no modification, renewal, extension or waiver of the provisions of this Agreement shall be binding upon either party unless it is in writing and signed by both parties.

15. Service Catalogue

The service provider will provide the following services to OCCIDENTAL INSURANCE COMPANY LIMITED:

Service	Description	Examples
User Support	Support OCCIDENTAL INSURANCE COMPANY LIMITED staff in the use of ESB,SMS, MPESA C2B SOLUTION.	• Provide help desk support • Answer queries about application. • Receive and document bug reports. • Collect and document requests for changes. ▫ Share status of requests.
Problem Correction	Bring an application back to its original functionality before the problem arose. This may include a permanent fix or a temporary work around until a permanent fix is found.	• Fix bugs. • Retrieve functionality after abnormal program terminations. • Complete root cause analysis.
Application Upgrade	Upgrade the System to run on new versions of Operating System (Windows)	▫ Modify applications based on new releases of software.
Process and Application Improvement	Assist OCCIDENTAL INSURANCE COMPANY LIMITED in planning the better use of applications to meet business strategy and goals. This is a proactive attempt by the service provider to improve applications and processes, based on the service provider's increased application and business knowledge over time.	• Help OCCIDENTAL INSURANCE COMPANY LIMITED staff to make strategic decisions that meet business goals. • Provide functional, architectural and process improvements as required for the support and maintenance of the system areas in scope.
Software License Key Activation	The Service Provider shall avail a new license key after payment	▫ The license key will be generated by the Service Provider and sent to OCCIDENTAL INSURANCE COMPANY LIMITED IT Department for activation.

16. Reporting

The following processes will be used in order to manage the application maintenance outsourcing Agreement:

16.1. Quarterly Status Report

The service provider to provide the OCCIDENTAL INSURANCE COMPANY LIMITED with a quarterly status report that gives an overall summary of the following:

- Impact analysis with the root cause of the problem
- Project health
- On-going activities
- Completed tasks
- Upcoming milestones and releases
- Bug fixes
- Risk identification and mitigation plan
- Action items across different application areas

16.2. Quarterly Review Meeting

Metrics will be tracked by service provider, summarized in a dashboard format, and discussed in a quarterly meeting. This activity includes the following:

- Tracking unresolved issues from maintenance projects which impact the SLA
- Updating maintenance project progress and resolving critical issues
- Capturing Agreements and disagreements and items needing escalation
- The SLA will be reviewed with the IS managers involved and an amendment addendum will be created if required
- Review process will be through teleconference or face-to-face meeting session which will be booked in advance
- Review document prepared by service provider will include overall project status, issues list, metrics reporting, supporting reasons for metrics deviation, and items that need adjustment within SLA (e.g. scope, metrics, etc.)
- SLA changes will be tracked by version number and date.

17. User Support and Problem Correction

The following procedures will be used to respond to problems that are received by the help desk. A problem is defined as an unplanned system event which adversely affects application processing or application deliverables.

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17.1. Prioritization Approach

Service requests for problems received by the help desk will be given a Severity Code from 1 – 4 based on how important responding to the problem is to the primary business of OCCIDENTAL INSURANCE COMPANY LIMITED as a whole, as well as the availability of workarounds. The Severity Code will be the basis for scheduling work on the backlog and assigning resources to the request. Critical, important, and supportive application functions are defined in the section below on Application Function Type, with a complete list of application functions included in this Agreement listed in Appendix A.

Severity Code	Definition
1	A problem has made a critical application function unusable or unavailable and no workaround exists.
2	A problem has made a critical application function unusable or unavailable but a workaround exists. or A. problem has made an important application function unusable or unavailable and no workaround exists.
3	A problem has diminished critical or important application functionality or performance but the functionality still performs as specified in the user documentation.
4	A problem has diminished supportive application functionality or performance.

17.2. Application Function Type

The table below provides a brief definition of critical, important, and supportive application functions. See Appendix A for a complete list of the application functions included in this Agreement

Application Function Type	Description

Critical	These application functions are critical to ensuring business profitability or OCCIDENTAL INSURANCE COMPANY LIMITED reputation. Extended failure will impact profit or damage OCCIDENTAL INSURANCE COMPANY LIMITED reputation.
Important	These application functions are important to business productivity, but are not critical to profitability or OCCIDENTAL INSURANCE COMPANY LIMITED reputation.
Supportive	These applications support productivity, but are not essential to business effectiveness.

17.3. Response and Resolution Times

Severity codes are used in order to determine appropriate response and resolution times. Response and resolution times are measured from when the incident is opened by the help desk. If the problem is not resolved within the defined timeframe, continuous effort will be applied until the problem is resolved.

Severity Code	Initial Response	Estimation Response	Subsequent Responses	Resolution
1	30 minutes	2 hours	Every 30 min.	24 hours
2	45 minutes	2 hours	Every 2 hours	48 hours
3	1 hour	8 hours	Every 4 hours	4 calendar days
4	1 hour	Next business day	Weekly	20 calendar days

- **Initial Response** is when an issue is reported and acknowledged by help desk staff.
- **Estimation Response** is when the user that logged the issue is informed of an estimated resolution time.
- **Subsequent Responses** is the frequency with which the user that logged the issue is updated on the resolution status.
- **Resolution** is the point at which the problem is resolved and the application function is returned to a usable and available state.

17.4. Response and Resolution Service Levels

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Type	Measurement	Penalty
Severity 1 Resolution	One or more Severity 1 problems are resolved in less than 24 hours.	1% of SLA fees
Severity 2 Resolution	Less than 95% of Severity 3 problems are resolved in 4 calendar days.	0.5% of SLA fees
Severity 3 Resolution	Less than 95% of Severity 4 problems are resolved in 20 calendar days.	0.5% of SLA fees
Severity 4 Resolution	Less than 95% of Initial Response, Estimation Response, and Subsequent Response times are met.	0.5% of SLA fees

17.5. Helpdesk contacts:

From 8:00 AM to 8:00 PM

NAMES	E-MAIL	PHONES
HELP DESK	info@dynamicmobility.co.ke	-
Mathew Ndogoh	support@dynamicmobility.co.ke mndogoh@dynamicmobility.co.ke	+254715315447
Danson Mwaura	support@dynamicmobility.co.ke dmwaura@dynamicmobility.co.ke	+254722827325

18. SOFTWARE SYSTEM ANNUAL MAITENANCE FEE

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Annual Maintenance on the Runtime Object code of various software and each along with Company Standard Documentation (in English) for use of the Software System with one set of each Software

Licence Agreement	SOFTWARE MODULE	EFFECTIVE DATE	TOTAL ANNUAL MAINTENANCE FEE Kshs (Excl. VAT)
	MPESA C2B	1st June 2022	124,000
	ESB	1st June 2022	138,600
	SMS	1st June 2022	90,200
TOTAL (Exclusive of VAT)			**352,800**

* Payments are due on 1st of June of each year the Service Level Agreement is effective

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Signatures

The service provider and the OCCIDENTAL INSURANCE COMPANY LIMITED - KENYA agree to the service levels and terms outlined in this Agreement.

For DYNAMIC MOBILITY TECHNOLOGY LTD	**For OCCIDENTAL INSURANCE COMPANY LIMITED**
Name: _____	Name: _____
Signature: _____	Signature: _____
Title: _____	Title: _____
Date: _____	Date: _____
Witness:	**Witness:**
Name: _____	Name: _____
Signature: _____	Signature: _____
Title: _____	Title: _____
Date: _____	Date: _____

19. APPENDIX A – Application Functions

19.1. Critical Application Functions

The critical application functions included in this Agreement at the time of writing this document are listed below. In the future, new applications can be added by planning for appropriate knowledge transfer.

Application
☐ General Failure to log into ESB/SMS/Mpesa C2B application
☐ General Failure to transact on ESB/SMS /Mpesa C2B application
☐ General Failure to transact on any channel using the Middleware webservices
☐ Failure of one or two features of ESB/SMS /Mpesa C2B application
☐ Failure to open a new business day

19.2. Important Application Functions

The important application functions included in this Agreement at the time of writing this document are listed below. In the future, new applications can be added by planning for appropriate knowledge transfer.

Application
☐ Failure to process transactions on time due to system issues
☐ Failure to run EOD

19.3. Application Support Functions

The supportive application functions included in this Agreement at the time of writing this document are listed below. In the future, new applications can be added by planning for appropriate knowledge transfer.

Application
Reporting Issue
User related issue
Windows and Database related issue (minor issue)

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