

## ATTACHMENT A – COSTS AND REVENUE SHARE

### 1. SETUP, TRANSACTIONS AND CONNECTION COSTS

All prices **exclude** 16% VAT unless otherwise stated. All Payments are payable in advance for the following month. A pro-rata monthly fee shall be calculated for **CLIENTS** signing up during the month as follows, and is applicable only to the monthly fees. Pro-Rata Fee = (Total fee/30)\*days left in a month.

An account with **INTARGET** shall contain at least a main account with access to statistics, reporting and transaction information.

All service costs quoted **exclude** 16% VAT unless otherwise stated and all SMS costs **exclude** 16% VAT. 1 Credit = 1Kshs cent.

#### 1.1.ACCOUNT COSTS

##### 1.1.1. Main Account

A setup fee of Kshs 15,000 shall apply for an Aggregation account (API Integration)

A setup fee of Kshs 25,000 shall apply for an Aggregation account, and utilizing INTARGET content and subscription management platform

A monthly main account fee of Kshs 5,000 per month shall apply.

#### 1.2.SHORT CODE SERVICES AND NUMBER SETUP

##### 1.2.1. Short codes

A single short code supports Safaricom and Airtel GSM networks. Short codes may be MO or MT billed. Short code setup and monthly fees are charged **per month per network** where it is configured.

##### **Platinum Short Code**

Setup fee of Kshs 42,000 on Airtel and Kshs 202,000 on Safaricom

Kshs 11,500 per month thereafter **per carrier**.

These short codes constitute quadruple numbers i.e. 33333, 44444, 99994, Numbers with religious significance e.g. 786x and special business numbers e.g. vision 20300, 50400.

##### **Golden Short Code**

Setup fee of Kshs 22,000 on Airtel and Kshs 202, 000 on Safaricom.

Kshs 11,500 per month thereafter **per carrier**.

These codes start or end with triple digits e.g. 22277, 11177, 88800, 40004

### Standard Short Code

Setup fee of Kshs 12,000 on Safaricom and Kshs 12,000 on Airtel.

Kshs 11,500 per month thereafter **per carrier**.

These are codes that are not in the above mentioned categories

## 1.3.MESSAGE TRANSACTION COSTS

### 1.3.1. SMS Transmitted

For each Premium Billed transaction (**MO only**) the network will allow one free MT message.

For any other MT messages (excluding the above) the including bulk messaging the following rates will apply on Safaricom and Airtel

Bulk SMS Rates (Incl. of taxes)						
Volume Bands	0 – 100k	100,001 – 500,000	500,001 – 1Mill	1 Mil – 2 Mil	2 Mil – 5 Mil	>5Mill
Price per MT (Kshs)	1	0.85	0.65	0.5	0.45	0.4

### 1.3.2. Bulk SMS services only

A **Setup fee** of Kshs 5,000 will apply.

Bulk SMS Rates (Incl. of taxes)						
Volume Bands	0 – 100k	100,001 – 500,000	500,001 – 1Mill	1 Mil – 2 Mil	2 Mil – 5 Mil	>5Mill
Price per MT (Kshs)	1	0.85	0.65	0.5	0.45	0.4

## 2. REVENUE SHARE ON SERVICES

In this section of the document, all presented figures exclude 16% VAT and 10% Excise Tax. **INTARGET** Revenue Share is available on Higate Web at [www.ke.higate.co.za](http://www.ke.higate.co.za) on a monthly basis. The **CLIENT** must invoice **INTARGET** for the specified gross revenue amount. The operator stats will be accepted as correct and final and therefore the **CLIENT** will only be able to invoice **INTARGET** after the stats of **INTARGET** were successfully reconciled to that of the network. As **INTARGET** does not always receive status notifications from the operators, the stats showing on Higate Web might be inflated.

Transaction costs are invoiced to the **CLIENT** monthly in arrears and payable 7 (seven) days thereafter. No offsetting of costs against revenues is permitted at invoicing level, but can be negotiated with your Account Manager at payment level in special circumstances.

**INTARGET** shall make payment to the **CLIENT** 7 (days) after the payment has been received from the particular operator. The payment time from the operator is between 60 (sixty) to 90 (ninety) days if no dispute of messages received arises. Revenue share/discounts are payable / calculated on a monthly traffic and not for the accumulated traffic over longer periods of time.

If payments are withheld by the Operators for whatever reason, these payments will also be withheld from the **CLIENT**, until such time payments were received from the Operator.

A minimum revenue claim of Kshs 10,000 shall be allowed. The right to claim monies due shall expire within 6 months from the date of statement, and the **CLIENT** shall lose such monies payable.

According to the regulations of the Kenya Revenue Authority a maximum of 10% withholding tax will be withheld on all revenue pay-outs to non-resident entities.

According to the regulations of the Kenya Revenue Authority, Safaricom is liable to deduct a 10% withholding tax on all revenue pay-outs.

**INTARGET shall pay the following Revenue Share portion to its CLIENTS:**

Revenue = Premium Charge (excluding taxes) **less** Operator Charge **less** 10% Withholding tax (**Safaricom only**) **less** **INTARGET** Charge.

The revenues as below are paid by the Operators and shall be shared between **INTARGET** and the **CLIENT** as follows:

- Aggregation Account (API Integration): 20/80 basis in **CLIENTS** favour.
- Aggregation account and content management platform 30/70 basis in **CLIENTS** favour.

Revenue share is subject to change dependent on changes from the Operators.

The below revenues are paid by the Operator unless otherwise agreed. The pay-outs are the **net** after deduction of 16% VAT and 10% excise tax.

**Safaricom Premium SMS**

<b>Revenue Share - Normal PRS Services</b>			
<b>Price Range</b>	<b>PRS Revenue share</b>		
<b>KshsIncl Taxes</b>	<b>0-100,000</b>	<b>100,001-1,000,000</b>	<b>&gt;1,000,001</b>
0.00 - 1.00	0%	0%	0%
1.01 - 5.00	20%	50%	60%
>5.00	50%	60%	70%

<b>Gaming/Lottery Revenue Share</b>			
<b>Price Range</b>	<b>PRS Revenue share</b>		
<b>KshsIncl Taxes</b>	<b>0-100,000</b>	<b>100,001-1,000,000</b>	<b>&gt;1,000,001</b>
0.00 - 1.00	0%	0%	0%
1.01 - 5.00	20%	30%	40%
>5.00	30%	40%	50%

Network will share the Net revenues after government taxes (excluding withholding tax) as indicated below. Please note a 10% withholding tax will still be applied by Safaricom on the pay-outs below before payment is made.

**SAFARICOM – Normal PRS Services**

<b>Charge to User</b>	<b>ExclTaxes</b>	<b>Revenue from Operator</b>	<b>Revenue from Operator</b>	<b>Revenue from Operator</b>
<b>Kshs</b>	<b>Kshs</b>	<b>0-100,000</b>	<b>100,001-1,000,000</b>	<b>&gt;1,000,001</b>
3.50	2.78	0.56	1.39	1.67
5.00	3.97	0.79	1.988	2.38
10.00	7.94	3.97	4.76	5.56
15.00	11.90	5.95	7.14	8.33
20.00	15.87	7.94	9.52	11.11
25.00	19.84	9.92	11.90	13.89
30.00	23.81	11.90	14.29	16.67
40.00	31.75	15.87	19.05	22.22
50.00	39.68	19.84	23.81	27.78
60.00	47.62	23.81	28.57	33.33
75.00	59.52	29.76	35.71	41.67
100.00	79.37	39.68	47.62	55.56

**SAFARICOM – Gaming / Lottery Revenue Share**

Charge to User	Excl Taxes	Revenue from Operator	Revenue from Operator	Revenue from Operator	Revenue from Operator	Revenue from Operator	Revenue from Operator
Kshs	Kshs	0-100,000	100,001-500,000	500,001-1,000,000	1,000,001-2,000,000	2,000,001-5,000,000	>5,000,000
3.5	2.78	0	0.42	0.70	0.97	1.25	1.39
5	3.97	0	0.99	1.39	1.79	1.99	2.18
10	7.94	0	2.78	3.18	3.97	4.37	4.76
15	11.9	0	4.17	4.76	5.95	6.55	7.14
20	15.87	0	5.55	6.35	7.94	8.73	9.52
25	19.84	0	6.94	7.94	9.92	10.91	11.90
30	23.81	0	8.33	9.52	11.91	13.10	14.29
40	31.75	0	11.11	12.70	15.88	17.46	19.05
50	39.68	0	13.89	15.87	19.84	21.82	23.81
60	47.62	0	16.67	19.05	23.81	26.19	28.57

**AIRTEL**

Airtel retains a base of Kshs 1 on all Premium SMS services where after the revenue share as indicated below applies.

<b>Premium Rate Services - Provider's share in amount</b>			
Charge to User	Kshs Excl Taxes	Revenue from Operator (Volumes 1 - 50,000 SMS) 50%	Revenue from Operator (Above 50,001 SMS) 60%
5	3.17	1.59	1.9
10	7.14	3.57	4.28
15	11.11	5.55	6.66
20	15.08	7.54	9.05
25	19.05	9.53	11.43
30	23.02	11.51	13.81
40	30.95	15.48	18.57
50	38.89	19.45	23.33
60	46.83	23.42	28.10
75	58.73	29.37	35.24
100	78.57	39.29	47.14

### 3. MINIMUM PERFORMANCE REQUIREMENTS

The Operators may suspend and account if the minimum performance requirements are not met.

Bulk Messaging accounts – A minimum of 5,000 outbound messages per month shall be required.

Premium rated messaging accounts – A minimum of 20,000 inbound messages per month shall be required.

### 4. APPLICATION HOSTING RATES

Application hosting rates are dependent on the application. This shall be quoted for separately. A base rate of Kshs 5,000 applies.

### 5. COMPLIANCE, CONSULTATION, TRAINING AND OTHER RATES

INTARGET offers the following services to its **CLIENTS** at a cost set out below:

#### Compliance rates

Kshs 50,000 – submit response of formal CA compliant

Kshs 5,000 – submit response of informal CA compliant

Kshs 5,500 – Ad Hoc compliance verification

#### Consultation rates

Kshs 4,500 per hour – Standard Consultation

Kshs 5,000 per hour – Specialized consultation and system engineering

#### Software Development rates

Kshs 6,500 per hour

#### Training

Kshs 3,000 per person attending per hour

INTARGET shall provide 1 hour free technical training for 1 person per **CLIENT**. Additional hours are charged at Kshs 3,000 per person.

#### Travel and accommodation

Standard air Fairs, Car Rental (Class B), and Hotel (3 Star) will be billed to the **CLIENT**. For personal travel, AA Travel charges shall apply.

## 6. COST TABLE

Account	Once-Off Cost	Monthly Cost
Project Management (if needed)	Kshs 15,000	
Refund Management (minimum Kshs 5,000 charged)	Kshs 5,000 per any part of 10 refunds	
Ad hoc compliance verification	Kshs 5,500 per hour	
Specialized Consultation and System Engineering	Kshs 5,500 per hour	
Software Development	Kshs 5,500 per hour	
Application Hosting (Base Rate)		Kshs 5,000
Call Centre Services		Kshs 13,000
Call Centre Seats		Quoted
BCLB Licence Application	Kshs 5,000 per hour	

Thus done and signed at \_\_\_\_\_ on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
 Client:

\_\_\_\_\_  
 Name:

\_\_\_\_\_  
 Signature - duly authorized.

\_\_\_\_\_  
 INTARGET:

\_\_\_\_\_  
 Name:

\_\_\_\_\_  
 Signature - duly authorized.