

MEMORANDUM OF UNDERSTANDING

In respect of the

Products and/or Services supplied to clients introduced by The Agent
to Tulsasource t/a Promowarehouse Pty Ltd.

SCOPE OF MEMORANDUM OF UNDERSTANDING

The purpose of this Agreement is to establish a mutually beneficial MEMORANDUM OF UNDERSTANDING for the purpose of introducing Clients to Promowarehouse Pty Ltd and whereas Promowarehouse PTY LTD will render services to such Clients as per operational terms and conditions Promo Warehouse trades under.

1. PARTIES TO THIS AGREEMENT

_____ and Company Registration Nr. _____, here after referred to as "The Agent" and legally represented by Mr. _____ with ID number: _____.

And

Tulsasource t/a Promowarehouse Pty Ltd, with Company Registration Nr.: 2011/132322/07, here after referred to as "PW" and legally represented by Mr. Robert Pretorius with ID number: 7509205007084.

(Hereinafter collectively referred to as the "Parties")

2. CAUSA

WHEREAS, the "Parties" are desirous of establishing a MEMORANDUM OF UNDERSTANDING ("MOU"), under the laws of the Republic of South Africa and/or the International Arbitration Centre (I.A.C) by execution of this Agreement for the purposes set forth herein and are desirous of fixing and defining between themselves their respective responsibilities, interest and liabilities in connection with the performance of the before mentioned scope of the MEMORANDUM OF UNDERSTANDING;

3. SERVICES AND PRODUCTS

This will be any service or product on offer by "Promowarehouse" and required by "The Agent", to fulfill its obligations to **new clients** signed by "the Agent" which are not already being serviced by "PW" or any other agents in agreement with "PW". The scope of work will be quoted per project.

4. QUANTITIES AND DELIVERY

4.1. The "Parties" hereto agree that the quantity of products and scope of services required will be agreed upon for each approved project. The "Agent" and "PW" will be responsible for the delivery of goods ordered to clients.

5. TERMS AND CONDITIONS

5.1. In terms of this Agreement "The Agent" will instruct "Promowarehouse" to supply products and/or services required by "The Agent" to fulfill its obligations to the clients.

This undertaking will include the following:

- 5.1.1. Normal negotiations with clients with regards to procedures for the sale of products and/or services.
- 5.1.2. Clients sourced by "The Agent" will trade under the normal terms and conditions used by "Promowarehouse" to conduct every day business. All transactions must be approved and signed off by the legal representatives of "The Parties" before the transactions will take effect.

6. ACCOUNTS PAYABLE AND FEES

6.1. "Promowarehouse" and "The Agent" agree to pay accounts due and payable after receipt of payments from the clients introduced by "the Agent"

6.2. For the purpose of clarity, we confirm that the closing and completion of each and every transaction shall be deemed to take place when the payment instrument issued by the CLIENT has been drawn of the issuing bank.

6.3 Both PARTIES agree to the following fee/rebate/commission structure as noted below.

6.3.1 The GP (Gross Profit) will be split 60/40 in favor of Promowarehouse. GP will be calculated as follows: **Nett Sales** (Invoice less discounts) **less Cost of Sales** (supplier invoices and transportation/delivery costs).

6.4. "PW" debtors book is insured by Credit Guarantee Insurance South Africa (CGISA) to the value of 80% of invoice. Should a client default on payment managed by the "Agent" and "PW" needs to utilize the services of CGISA to recover the debt of the client to "PW" the fees of CGISA will be deducted from the GP value on said transaction before any profit split will be calculated.

7. OBLIGATIONS OF THE PARTIES

7.1. "Promowarehouse" and the "The Agent" or their nominated representative's will be mutually responsible to be present at the various destinations where products or services will be delivered and such responsibility will be determined by the "Parties" prior to each transaction.

8. TERM

8.1. This Agreement shall be valid for 2 (Two) years commencing from the date of the last signature of the parties to this Agreement.

8.2. This Agreement will automatically be renewed for a further period of 2 (Two) years subject to and upon the terms and conditions to be agreed between both "Parties" in writing.

9 .ARBITRATION

9.1 All disputes arising out of or in connection with the present contract shall be finally settled under the rules of the ARBITRATION FOUNDATION OF SOUTH AFRICA (AFSA) and/or the International Arbitration Centre (I.A.C) in accordance with current I.C.C 400/500/600 NCNDA laws.

9.1.1. By one or more "Arbitrators" appointed in accordance with the said rules.

9.1.2. Every arbitration award shall be binding on the "Parties".

By submitting the dispute to arbitration under the said rules, the "**Parties**" undertake to carry out any award without delay and shall each be deemed to have waived its right to any form of recourse insofar as such waiver can validly be made.

9.2. Each of the "Parties" subject to the declared breach shall be responsible for their own legal expenses until an award is given or settlement is reached, provided however, the "Party" found in default by the "Arbitrator(s)" shall compensate in full the aggrieved Party, its heirs, assignees and/or designees for the total remuneration received as a result of business conducted with the "**Parties**" covered by this Agreement, plus **all its arbitration costs, legal expenses and other charges and damages deemed fair** by the "**Arbitrator(s)**" for bank, lending institutions, corporations, organizations, individuals, lenders, or borrowers, buyers or sellers that were introduced by the named party, notwithstanding any other provisions of the award.

10. AGREED AND ATTESTED

Each representative signing below guarantees that he is duly empowered by his respectively named company to enter into and be bound by the commitments and obligations contained herein either as individual, corporate body or on behalf of a corporate body.

11. OTHER PROVISIONS

11.1 This Agreement in no way shall be construed as being an agreement of partnership and none of the "Parties" shall have any claim arising from any separate dealing, venture or assets of any other party or in no way shall any party be liable for any other.

11.2 Each "Party" indemnifies the other "Parties" against any legal claim that may arise out of neglecting its own obligations as described in this Agreement.

11.3 The "Parties" to this Agreement shall at all times execute the highest level of good faith with respect to the other "Parties" in all affairs appertaining to this Agreement.

11.4 Confidential information as used in this agreement and except as set forth in paragraph 11.5, the term "Confidential Information" means and includes:

- (a) all information presented by both parties in respect of practices, procedures, proposals, research and development, patents, copyrights, data, software or computer operating systems, designs;
- (b) other business or financial information, plans, strategies or forecasts, operations, marketing or merchandising information provided by both parties;
- (c) any other trade secrets and other proprietary ideas, concepts, know-how, methodologies and information incorporated therein; and
- (d) any information provided by a third party that that was introduces by either party.

11.5 Exceptions to Confidential Information: The definition of Confidential Information set forth in paragraph 11.4 does not include any information which:

- (i) was publicly available at the time of disclosure by both parties
- (ii) became publicly available after disclosure through no fault of either party.
- (iii) was in rightful possession prior to disclosure by either party, as evidenced by written records.

11.6 The Parties and/or their affiliates of what so ever nature shall not, in any manner, solicit and/or accept any business from sources that have been made available by and through either of the Parties hereto, nor in any manner shall access, solicit and/or conduct any Transaction with such said sources, without any specific written permission of the Party who made such said sources available.

11.7 The Parties shall not in any way what so ever circumvent each other and/or attempt such circumvention of each other and/or any of their affiliates involved in any of the Transactions the Parties wish to enter into. In the event of circumvention by any of the Parties, whether direct and/or indirect, the circumvented Party shall be entitled to such legal monetary compensation which is equal to the maximum service it would have realized from such Transaction, plus any and all expenses which shall include, but are not limited to, any legal fees incurred in lieu of the recovery of such compensation.

12. DOMICILIUM

12.1 For the sole purpose of this Agreement or with regard to any matter arising here-out or in connection herewith, the "Parties" hereby choose the following addresses as their respective domicilia citandi et executandi.

Promowarehouse Pty Ltd
Admin Office:
Unit 3, Crystal Place, 4 Malva Avenue, Bergsig
Heidelberg
Gauteng,
Republic of South Africa

12.2 Any Party shall be entitled in writing to the other party to change its domicilium as set out above. Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a Party shall be adequate written notice or communication to it, notwithstanding that it was not sent to or delivered at its chosen domicilium citandi et executandi.

13. EXECUTION

Signed at _____ on this the _____ of _____, 20__

AS WITNESSES:

1. _____ For: _____

2. _____
Represented by: _____, who is duly authorized to execute this Agreement.

AS WITNESSES:

1. _____ For: Promowarehouse Pty Ltd

2. _____
Represented by: Mr. Robbert Pretorius, who is duly authorized to execute this Agreement.