

BUSINESS PARTNER MEMORANDUM OF AGREEMENT

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1. PARTIES

- 1.1 Sage South Africa (PTY) Ltd ("the Licensor"); and
- 1.2 Company : (Confirmed by submission) ("the Licensee")

2. DEFINITIONS AND INTERPRETATION

- 2.1 Unless the contrary is clearly indicated, the following words and/or phrases used in this Agreement shall have the following meaning : -
 - 2.1.1 "this Agreement" – this agreement together with all addendums, attached to it from time to time;
 - 2.1.2 "Commencement Date" – date of acceptance;
 - 2.1.3 "Confidential Information" – any information of whatever nature, which has been or may be obtained by either of the Parties from the other, whether in writing or in electronic form, or pursuant to discussions between the Parties;
 - 2.1.4 "Customer" – Customers of the Licensee;
 - 2.1.5 "Business Partner Software" – the copies of the Software provided by the Licensor to the Licensee for in-house and demonstration purposes;
 - 2.1.6 "End of Life" – Refers to products and versions of software that are no longer supported by Sage Pastel.
 - 2.1.7 "Intellectual Property Rights" – all right, title and interest in and to the intellectual property, including the Trade Marks, designs and copyright in the Software;
 - 2.1.8 "License Fee" – the fee, including the subscription fee payable by the Customer to the Licensor, set out in the Addendum hereto;
 - 2.1.9 "Lifetime Linkage" – that linkage provided for in clause 11.7;

- 2.1.10 "Parties" – the Licensor and the Licensee;
- 2.1.11 "the Products" – the licences for the Software and the Software Documentation;
- 2.1.12 "the Rebates" – the Rebates paid by the Licensor to the Licensee as per the renewals of subscriptions as set out in the Addendum hereto;
- 2.1.13 "Signature Date" – the date upon which the last of the Parties accepts this Agreement;
- 2.1.14 "Software" – the computer programme/s set out in the Addendum hereto and shall include the Business Partner Software (Consulting Pack), Software Documentation and all future updates, enhancements and modifications to the Software and the Software Documentation; all products branded as Sage Pastel or Sage Pastel Payroll & HR.
- 2.1.15 "Software Documentation" – the written document(s) containing detailed instructions pertaining to the use and operation of the Software;
- 2.1.16 "Territory" – the Republic of South Africa, Swaziland and Lesotho
- 2.1.17 "Trade Mark" – the trade mark/s "Sage Pastel" and/or "Sage Pastel Accounting" and/or "Sage Pastel Payroll" and/or "Sage Pastel Payroll & HR" and/or "Sage HR & Payroll" and/or "Sage South Africa";
- 2.1.18 "Use" – the use of the Business Partner Software (Consulting Pack) by the Licensee on the Licensee's own internal operating systems or central processors for illustrative purposes to customers.
- 2.1.19 The clause headings in this Agreement have been inserted for convenience only and will not be taken into consideration in the interpretation of this Agreement.
- 2.2 Any reference in this Agreement to the singular includes the plural and *vice versa*.

2.3 Any reference in this Agreement to natural persons includes legal persons and references to any gender include references to the other genders and *vice versa*.

3. GRANT AND NATURE OF LICENCE

3.1 The Licensor herewith grants to the Licensee a non-exclusive and non-transferable licence to use the software (IF the Licensee has a valid certification) and to distribute the products on the terms and conditions set out in this Agreement.

3.2 The Licensor shall assess the Licensee against the qualification criteria set out in the Addendum and will then award the Licensee, in its sole and absolute discretion, the status of either : -

3.2.1 Sage Forum

3.2.2 Sage Forum Non-selling

3.2.3 Sage Business Partner

3.3 The Licensor shall have the sole and unfettered right to amend and/or change the status of the Licensee in the event that the Licensee fails to comply with the terms and conditions of this Agreement or any accreditation standards set by the Licensor. In addition, the Licensor shall, subject to the provisions of clause 16, have the sole and unfettered right to terminate the Licensee's licence granted herein in the event that the Licensee fails to meet the qualification criteria, as amended, of the status attributed to the Licensee. This process shall be done in consultation with the relevant business partner.

3.4 The Licensor shall have the right, at its sole instance, to change the qualification criteria from time to time on 3 (three) months written notice to the Licensee when the term of contract has finished.

4. UNDERTAKINGS BY LICENSEE

The Licensee shall : -

- 4.1 not copy nor permit any party to copy the Software;
- 4.2 not hold itself out as being entitled to bind the Licensor in any way;
- 4.3 effectively promote the sale of the Products;
- 4.4 notify the Licensor promptly in writing, of any complaint or claim made or brought against the Licensee with respect to the Products;
- 4.5 notify the Licensor promptly in writing of any unauthorised or improper use of the Products of which the Licensee has knowledge;
- 4.6 not sell the Products outside the Territory;
- 4.7 not knowingly sell the Products to any person inside the Territory for the purpose of resale to any person outside the Territory;
- 4.8 not knowingly assist any person outside the Territory to resell South African Products;
- 4.9 upon request by the Licensor and within 7 (seven) days of such request, submit to the Licensor a monthly report detailing the actual sales and pipeline leads. The actual sales report shall set out the Product type, number of licences, number of users, Customer name and sales price. The pipeline report shall set out the prospective Customer's name, Product type, potential sales value and anticipated date of closure;
- 4.10 not modify, de-compile, disassemble or otherwise reverse-engineer the Software, or attempt to do any of these;
- 4.11 not engage in, publish, cause to be published, encourage or proof any advertisement or practice that might mislead or deceive the public, or might reasonably be detrimental to the good name, Trade Mark, goodwill or reputation of the Licensor or the Products;

- 4.12 use its best endeavours to preserve and promote the Licensor's goodwill and reputation and to avoid any activity detrimental to the Licensor's interests, reputation and goodwill;
- 4.13 allow the Licensor, upon reasonable notice, access to its premises to audit the Licensee's compliance with the Agreement;
- 4.14 co-operate fully with the Licensor in relation to all market research, Customer care programmes, including the undertaking of any remedial action required to be taken arising out of such activities as identified and required by the Licensor from time to time.
- 4.15 conduct business in a manner that will reflect favourably on the Products and on the good name and reputation of the Licensor or any third party owner of the Products.

5. COMMENCEMENT AND DURATION

Subject to clause 16, this Agreement shall commence on the Commencement Date and endure until the 30th of September of the following year ("the Termination Date"). In the event that either Party wishes to cancel this Agreement, prior written notice of not less than 3 (three) months shall be given prior to the Termination Date. **In the event of termination of this Agreement by either party the signup fee is non-refundable.** If the Parties fail to agree on the terms of the renewal, this Agreement shall automatically terminate on the Termination Date.

6. SUPPLY OF PRODUCTS

- 6.1 subject to the terms of this Agreement, the Licensor shall use its best endeavours to supply the Products to the Licensee in accordance with the Licensee's orders from time to time.
- 6.2 orders for the Products shall be placed by the Licensee in the format prescribed from time to time by the Licensor.
- 6.3 all orders in respect of the Products shall be placed in writing and the Licensee shall ensure the accuracy of the order.
- 6.4 each order for the Products shall constitute a separate contract.

6.5 all Products remain the property of the Licensor until such time as payment has been made in full by the Licensee. The Licensor reserves the right to block the registration at the time of first registration or other periodic registration of any Products purchased that have not been paid for in full.

7. WITHDRAWAL OF THE PRODUCTS

7.1 In the event of the Licensor withdrawing any of the Products at any time, the following shall apply :

7.1.1 all unfulfilled orders for those Products which have been withdrawn shall be automatically cancelled;

7.1.2 if the Product has been withdrawn due to a defect therein, the Licensee shall use its best endeavours to retrieve the withdrawn Product from the Customers;

7.1.3 the Licensee shall cease supplying the withdrawn Products and the provisions of clause 17 shall apply.

8. PAYMENT

8.1 the Licensee shall pay the Licensor on the dates provided in the Addendum the fees set out in the Addendum, without set-off or deduction, in South African Rands at the address provided by the Licensor.

8.2 if the Licensee fails to pay the price for any of the Products on the due date of the payment thereof, the Licensor shall be entitled (without prejudice to any other right or remedy), to : -

8.2.1 cancel or suspend any further deliveries of all Products to the Licensee under any order;

8.2.2 charge the Licensee interest on the unpaid price at the prime lending rate plus 3% (three percent) per month, compounded monthly in arrears, calculated from the date payment becomes due and until actual payment is made (irrespective of whether the date of payment is before or after any judgement or award in respect of the same or vice versa).

- 8.3 in consideration for the use and distribution of the Software to Customers, the Licensor shall pay to the Licensee the Rebates and/or rewards. It is recorded that the Rebate to be paid to the Licensee in respect of Sage South Africa add-on modules shall be paid with effect from the date that such Customer subscribed for such module.
- 8.4 in the event of the Customer cancelling its subscription to the Software, Sage South Africa shall be entitled to deduct, on the same basis as the Customer is refunded, part or all of the Rebate/s paid to the Licensee for the Rebate year in question.
- 8.5 the License Fee, as well as any other monies due by either of the Parties to the other, shall exclude any taxes and/or levies due as a result of a requirement by any governmental organisation (which shall include but not be limited to any value added tax, importation tax, withholding tax and general sales tax) and all these taxes and/or levies, shall be paid by the Licensee.
- 8.6 all accounts are on a cash basis only and proof of payment will be required before any orders are processed.
- 8.7 no credit applications will be considered until the Licensee has a minimum trade history of six months with Sage South Africa.
- 8.8 credit terms will be subject to conditions outlined by the Sage Finance Department. Details will be supplied on application.
- 8.9 all credit applications require that the Licensee provide a signed surety agreement for an amount equivalent to the amount of credit requested.
- 8.10 in the event of a credit note being passed against the Licensee's account a turnaround time of 2 days from receipt of the goods being accepted by Sage South Africa
- 8.11 no credit notes will be processed within the first 7 working days of the month.

9. SOFTWARE DOCUMENTATION

The Licensee shall at all times utilise, for its training purposes, the Software Documentation, including any training manuals, provided to it by the Licensor. The Licensee undertakes not to vary, amend or modify the Software Documentation unless the prior written approval of the Licensor has been obtained.

10. LIMITATION OF LIABILITY

- 10.1 the liability of the Licensor for faulty Software as well as all damages suffered by the Licensee, whether direct or indirect, as a result of the malfunctioning of Software, shall be limited to the Licensor rectifying the malfunction, within a reasonable time and free of charge, provided that the Licensor is notified immediately of the damage or faulty execution of the Software.
- 10.2 this liability is completely excluded if the Licensee or Customer attempts to correct or allows third parties to correct or attempt to correct the Software without the prior written approval of the Licensor.
- 10.3 notwithstanding anything to the contrary herein contained, the Licensor shall not be liable for any damages or loss whatever or howsoever arising or for any claims for consequential loss or damage which may be sustained by the Licensee and/or the Customer and/or for any claims made by any other person whatsoever against the Licensee, in connection with this Agreement and/or the Software.

11. LINKAGE AND DELINKAGE

- 11.1 if the Licensee is linked to a Customer, then we know that if there are any queries or concerns that arise, we are able to contact the Licensee to assist in resolving the query. The Customer should always be aware of who their linked Licensee is, so it is the responsibility of the Licensee to ensure that they remain in constant contact with their Customers. The linkage also means that if you sell a Customer Pastel Business Care or Annual Licence Fee, and they renew their Business Care or Annual Licence fee the following year, the Licensee (if qualified) will be entitled to receive a Rebate on the amount paid to the Licensor.
- 11.2 there are two ways in which a Licensee can get linked to a Customer. One is an automatic linkage for new package sales (Sage reserves the right to not auto link the customer upon new sale if the customer is outside of the service area of the Licensee) and the other is where the Customer requests Sage to link you as their linked business partner.

- 11.3 Automatic Linkage
 - 11.3.1 when the Licensee purchases a new package to resell to your Customer and the Customer registers the software, our system will automatically link the Licensee to the Customer. (Sage reserves the right to not auto link the customer upon new sale if the customer is outside of the service area of the Licensee)
 - 11.3.2 when a Business Care or Annual Licence Fee sale is placed by yourself on behalf of the Customer there is a section on the Business Care or Annual Licence Fee document which requests the name of the linked Licensee. If this section is complete, and the Licensee places the order on behalf of the Customer, we will link the Licensee to the Customer at the time the transaction is processed.
- 11.4 The Customer requests Sage to link the Licensee:
 - 11.4.1 In all cases below, Sage South Africa requires the Customer to provide us with an instruction to link the Licensee to their account using the Linkage letter template available on the reseller zone. The Licensee would need to upload the linkage letter via the reseller zone. No manual linkage letters will be accepted. The linkage letter must be signed by the person duly authorised to do so, and their full name and title must be clearly indicated. A confirmation call from the Licensor to the designated contact person will accompany all linkage request received.
- 11.5 if the Licensee places an order for an additional module or additional users, this will not result in an automatic linkage to the Customer. The Licensee will be required to provide, via the reseller zone, a linkage letter, on mandatory template.
- 11.6 upon renewal, all linked Customers will be asked to verify that the linked Licensee is known to them and services the customer. Should the customer confirm that that the Licensee is not currently supporting them a de-linkage will be processed and no renewal rebate will be due.
- 11.7 linkage instructions must be submitted timeously. Should a rebate already be paid to the existing linked Licensee, the newly linked Licensee will only qualify for the rebate in the next year.
- 11.8 Turnaround time on linkage requests are 7 working days.
 - 11.8.1 The Licensor reserves the right to survey all linked customers at any time regarding the level of service received from their linked Licensee. If negative feedback is received, the linked Licensee will be contacted and a de-linkage may be processed if no feedback is received.

- 11.9 In the event that a customer approaches the Licensor directly, the Licensor is hereby entitled to engage with the customer directly. The Licensee will have 90 days (from date of invoice) to submit queries regarding outstanding discounts due to them on sales done through the direct sales team. Sage reserves the right to only pay out 50% of the original discount due to the Licensee.
- 11.10 requests from a Customer to delink a Licensee must be provided in writing on the said Customer's letterhead or a telephonic voice recording of the customer confirming that there is no longer a relationship with the Licensee. Should a Rebate have been paid to the original linked Licensee prior to the date of notification, Sage South Africa will not reverse the Rebate already paid. In the event of a credit being due to a Customer, Sage South Africa shall be entitled to deduct, on the same basis as the Customer is refunded, part or all of the Rebate paid to the Licensee for the Rebate in question. A de-linkage becomes effective from the date indicated on the said notification or documentation.
- 11.11 if a Licensee is delinked from a Customer, the delinked Licensee will receive notification via email. Sage South Africa reserves the right not to disclose the details of the newly linked Licensee to the previously linked Licensee.
- 11.12 although we will endeavour to ensure that linkages are done at the time of the request, it remains the Licensee's responsibility to ensure that the Customer is linked. We will not back pay or reverse any Rebates processed to another linked Licensee before the date the linkage occurred.

12. INTELLECTUAL PROPERTY RIGHTS

- 12.1 the Licensee acknowledges that any and all of the Intellectual Property Rights used or embodied in or in connection with the Software are and will remain the sole property of the Licensor.
- 12.2 if the Licensee effects any modifications, variations and/or enhancements to the Software, the Intellectual Property Rights therein are hereby ceded, assigned and transferred to the Licensor.
- 12.3 subject to the provisions of clause 12.4, the Licensee shall, at the expense of the

Licensor, take all such steps as the Licensor may reasonably require to assist the Licensor in maintaining the validity and enforceability of the Intellectual Property Rights of the Licensor during the term of this Agreement, provided however that no expenses shall be incurred by the Licensee without the Licensor's prior written approval.

12.4 the Licensee shall promptly and fully notify the Licensor of any actual threatened or suspected infringement in the Territory of any Intellectual Property Rights of the Licensor which comes to the Licensee's notice, and of any claim by any third party so coming to its notice that the importation of the Products into the Territory, or their sale therein, infringes any rights of any other person and the Licensee shall at its expense do all such things as may be reasonably necessary in taking or resisting any proceedings in relation to any such infringement or claim.

12.5 the Licensee undertakes that it shall comply with all the brand guidelines issued by the Licensor from time to time and should the Licensor amend, modify or revise the Trade Mark, the Licensee shall within 30 (thirty) days of the notification received from the Licensor in respect thereof, utilise the amended, modified or revised Trade Mark.

12.6 upon termination of this Agreement, for any reason whatsoever, the Licensee shall immediately cease to use the Intellectual Property Rights, including the Trade Mark.

13. CONFIDENTIALITY

13.1 the Parties shall hold in confidence all Confidential Information received from each other and not divulge the Confidential Information to any person, including any of its employees, save for employees directly involved with the execution of this Agreement.

13.2 upon termination of this Agreement, for whatever reason, the recipient of Confidential Information shall return same or at the discretion of the original owner thereof, destroy such Confidential Information, and shall not retain copies, samples or excerpts thereof.

14. FORCE MAJEURE

14.1 delay or failure to comply with or breach of any of the terms and conditions of this Agreement, if occasioned by or resulting from an act of God, or public enemy, fire, explosion, earthquake, flood, storm or other adverse weather conditions, war declared or undeclared, civil war,

revolution, civil commotion or other civil strike, riot strikes, blockade, embargo, sanctions, epidemic, act of any government or other authority, compliance with government orders, demands or regulations or any circumstances of like or different nature beyond the reasonable control of the Party so failing ("force majeure"), will not be deemed to be in breach of this Agreement nor will it subject either Party to any liability to the other.

- 14.2 Should either Party be prevented from carrying out its contractual obligations by *force majeure* lasting continuously for a period of 15 (fifteen) days, the Parties will consult with each other regarding the future implementation of this Agreement. If no mutually acceptable arrangement is arrived at within a period of 15 (fifteen) days thereafter, either Party will be entitled to terminate this Agreement forthwith on written notice.

15. RELATIONSHIP

This Agreement does not constitute either of the Parties an agent or legal representative of the other for any purposes whatsoever and neither of the Parties shall be entitled to act on behalf of, or to represent the other unless duly authorised thereto in writing.

16. BREACH AND TERMINATION

- 16.1 the Licensor shall have the right to terminate this Agreement with immediate effect and without prejudice to any other rights and remedies which it may have, upon the occurrence of any one or more of the following events (hereinafter called "Default") : -
- 16.1.1 if the Licensee defaults in the performance of any of its obligations provided for in this Agreement (apart from the Default referred to in clause 16.1.2);
 - 16.1.2 if the Licensee fails to make any payment to the Licensor on the due date therefore or within 7 (seven) days thereafter;
 - 16.1.3 the Licensee fails to meet any minimum annual sales targets;
 - 16.1.4 if the Licensee convenes any meeting to consider a resolution for its voluntary winding-up;

- 16.1.5 if the Licensee commits any act which is an act of insolvency as defined in the Insolvency Act No 24 of 1936;
 - 16.1.6 if the Licensee is placed into liquidation or placed under judicial management, whether provisionally or finally;
 - 16.1.7 if the Licensee has a judgement granted against it and allows such judgement to remain unsatisfied for a period of 7 (seven) days;
 - 16.1.8 if the Licensee commits any act or omits to do anything which, in the sole and absolute discretion of the Licensor, prejudices or may prejudice any of the rights of the Licensor under this Agreement, its ownership in the Products; or
- 16.2 in the event of the Default contemplated in clause 16.1, the Licensor shall in addition and without prejudice to any other remedies which it may have in terms of this Agreement be entitled : -
- 16.2.1 forthwith and without notice to claim payment of all amounts owing by the Licensee to the Licensor; and/or
 - 16.2.2 to cancel this Agreement and any order for Products and to immediately obtain possession of all the Products delivered but unpaid and to recover from the Licensee all damages that the Licensor may suffer as a result of such cancellation.
- 16.3 in the event of a breach of the Licensee's obligations occurring as envisaged in clauses 16.1 or 16.2 above, the Licensee shall be obliged immediately to place the Licensor in possession of all Products that have been sold by the Licensor to the Licensee in terms of this Agreement. If the Licensor in its sole and absolute discretion does not require the Licensee to place it in possession of the Products, the Licensor shall be entitled to within 14 (fourteen) days obtain delivery, at the Licensee's cost, of the Products to an address notified by the Licensor and/or to place a representative of the Licensor on the premises where the Products are kept in order to protect the rights of the Licensor. In the event of the Licensor not exercising its right to immediately obtain possession of the Products, this shall not be regarded as a waiver of the Licensor's right to call upon the Licensee to place the Licensor in possession of the Products at any time thereafter.

17. CONSEQUENCE OF TERMINATION

Upon termination or expiry of this Agreement: -

- 17.1 the Licensee shall cease to promote, market or advertise the Products, or to make any use of the Trade Marks;
- 17.2 the Licensee shall immediately cease to refer to itself as the "authorised distributor" for the Products and shall remove from all signage and documentation, including its corporate stationery, any references to the Licensor;
- 17.3 immediately discontinue the use of, uninstall and return to the Licensor within 7 (seven) days of the date of termination all Products and Business Partner Software and any copies thereof in whatever medium;
- 17.4 immediately remove any hyperlinks and/or references to the Licensor's website and to the Licensor from the Licensee's website;
- 17.5 the provisions of clause 13 above, shall continue in force in accordance with its respective terms;
- 17.6 the Licensee shall have no claim against the Licensor for compensation for loss of distribution rights, loss of goodwill or any similar loss;
- 17.7 subject as otherwise provided herein, and to any rights or obligations which have accrued prior to termination, neither Party shall have any further obligation to the other under this Agreement.

18. DOMICILIUM

18.1 the Parties choose domicilium citandi et executandi ("domicilium") for the purposes of the giving of any notice, the payment of any sum, the serving of any process and for any other purpose arising from this Agreement, as follows: -

For the Licensor : -
Sage South Africa
Sage Technology Park
102 Western Service Road
Gallo Manor Ext 6
Woodmead
Johannesburg
Republic of South Africa

18.1.1 For Licensee : - As per details on the membership account

18.2 each of the Parties shall be entitled from time to time, by written notice to the other, to vary its domicilium to any other address within the Republic of South Africa which is not a post office box or *poste restante*. Notice must also be given with regard to new email addresses, telephone numbers, cell numbers, etc.

18.3 any notice required to be given by other Parties the other in terms of this Agreement shall be in writing addressed to the latter at the address set out above, and shall either be delivered by hand or be forwarded by pre-paid registered post;

18.4 unless and until the contrary is proved : -

18.4.1 if delivered by hand, shall be deemed to have been received on the date of delivery;

18.4.2 sent by pre-paid registered post, shall be deemed to have been received on the 14th (fourteenth) calendar day after posting.

19. GENERAL

The Parties acknowledge and agree that:

- 19.1 this Agreement constitutes the entire contract between them and that no provisions, terms, conditions, stipulations, warranties or representations of whatsoever nature, whether express or implied have been made by any of the Parties or on their behalf except as are recorded herein;
- 19.2 no relaxation, extension of time, latitude or indulgence which any Party ("the grantor") may show, grant or allow to another ("the grantee") shall in any way constitute a waiver by the grantor of any of the grantor's rights in terms of this Agreement and the grantor shall not thereby be prejudiced or stopped from exercising any of its rights against the grantee which may have then already arisen or which may arise thereafter;
- 19.3 no alteration, variation, amendment or purported consensual cancellation of this Agreement or this clause 16 or any deletion therefrom shall be of any force or effect unless reduced to writing and signed by or on behalf of the Parties hereto;
- 19.4 they have undertaken to each other to do all such things, take all such steps and to procure the doing of all such things and the taking of all such steps as may be necessary, incidental or conducive to the implementation of the provisions, terms, conditions and import of this Agreement;
- 19.5 the Licensee shall not be entitled to cede, assign or otherwise transfer any of its rights, interests or obligations under and in terms of this Agreement without the prior written consent of the Licensor;
- 19.6 the Licensor shall be entitled to appropriate any payments received from or on behalf of the Licensee to any indebtedness, howsoever arising, of the Licensee to the Licensor;
- 19.7 this Agreement shall be governed by the laws of the Republic of South Africa and the Parties hereto consent to the exclusive jurisdiction of the High Courts of the Republic of South Africa.

20. COSTS

Each Party shall bear their own legal fees and disbursements of and incidental to the preparation, drawing and conclusion of this Agreement.

21. ANTI BRIBERY AND CORRUPTION

- 21.1 the Licensee acknowledges that integrity, honesty, and compliance with all applicable laws are core business values and practices adopted by the Licensor and that the Licensee does not condone any activity that may be construed as bribery or corruption .
- 21.2 the Licensee warrants that it has not and will not participate, directly, indirectly, or at all, in any unlawful conduct as between itself and any party that may exert an influence over any Customer that may be construed as bribery and or corruption as envisaged in the Prevention and Combating of Corrupt Activities Act, or any other applicable law or legislation.
- 21.3 the Licensee accordingly indemnifies and holds the Licensor harmless against any such claim of whatsoever nature in terms of which it is alleged that the Licensee has acted unlawfully and the Licensee agrees to defend any such claim made against the Licensor on the Licensor's behalf and further agrees to pay any legal costs associated therewith.
- 21.4 the Licensee acknowledges that if on reasonable suspicion the Licensor believes that the Licensee is participating in unlawful conduct, the Licensor will be obliged in law to report such conduct to the relevant official.
- 21.5 the Licensee also acknowledges that the Prevention and Combating of Corrupt Activities Act contains extraterritorial provisions and that even if the alleged illegal conduct occurred outside of the Republic of South Africa, a court of the Republic of South Africa will, in certain circumstances, have jurisdiction in respect of such alleged illegal conduct.
- 21.6 the Licensor reserves the right to summarily cancel this agreement on written notice if on reasonable suspicion the Licensor believes that the Licensee is participating in unlawful conduct or any activity that may be construed as bribery and or corruption.

22. COMPANY MERGERS AND SALE OF BUSINESS

- 22.1 should two Licensee's wish to merge, Sage South Africa will require the necessary legal proof to provide confirmation that the merger is of a legal nature and not simply a matter of restructuring a relationship between different parties.
- 22.1.1 Customers will not be transferred from one Licensee to another unless proof is provided that the entire company, which includes Customers & assets, are legally owned by the new Licensee.
- 22.1.2 we reserve the right not to transfer any Customers until one year of merged trading has transpired and the onus is on the new merged entity to provide us with instructions to transfer Customers after this period has expired.
- 22.2 the rights and obligation of this agreement cannot be sold or transferred. Should you purchase a company who is an existing Business Partner, a new application for the business you have purchased will need to be completed. Should you sell your business, the new owner of your business will need to apply for membership in his own right and meet the necessary criteria to become a channel partner.
- 22.3 Sage South Africa will not accept instructions to transfer Customers from one Licensor account to another, unless Customers have provided the instruction directly to the Licensor, and the conditions of linkages referred to earlier in this document have been followed.

23. STAFFING

- 23.1 should any Licensee employ an existing staff member or any ex staff member of Sage South Africa within 6 months of the ex-staff member leaving Sage South Africa, the Licensee will be subject to a 20% placement fee calculated on the staff/ex staff member's annual salary package as it was at the time the staff member was last paid by Sage South Africa.
- 23.2 Sage South Africa undertake that no staff member previously employed by a Licensee will be entitled to join as a Licensee until six months from the resignation date from the previous employer has passed, or alternatively, consent is granted by the previous employer. It is the responsibility of the previous Licensee to notify The Pastel and Pastel Payroll Business Team of the staff member leaving and provide full details in order for it to effectively controlled.

24. ELECTRONIC COMMUNICATIONS

- 24.1 by selecting the "I Accept" button on the either Reseller zone Payroll or Accounting, the Licensee agrees to signing this Agreement electronically. The Licensee agree their electronic signature is the legal equivalent of their manual signature on this Agreement. By selecting "I Accept" you consent to be legally bound by this Agreement's terms and conditions.
- 24.2 the Licensee also represents that they are authorised to enter into this Agreement for all persons who own or are authorised to access any of their accounts on the respective Reseller zones and that such persons will be bound by the terms of this Agreement.
- 24.3 an incident will be recorded in the customer relationship system of the Licensor to indicate the Licensee's acceptance of this agreement.
- 24.4 The Licensee undertakes to at all times have an active email account and will not be permitted to unsubscribe to electronic communication/s that will be sent by the Licensor.

Sage Forum

Criteria and benefits, terms and conditions:

Effective 01 October 2017 or as stipulated

Referral Commission Structure: Applicable to Non-selling members

Payroll	Sage Pastel Partner Payroll	Sage VIP Classic Payroll & HR	Sage Premier People & HRM	Sage VIP People & HRIS	Sage X3 People
On Sale Referral Commission	25% (Max R12500 per system)	25% (Max R25000 per system)	25% (Max R25000 per system)	25% (Max R25000 per system)	25% (Max R25000 per system)
Accounting	Sage Pastel Xpress Advantage	Sage Pastel Partner Advantage	Sage Evolution Standard	Sage Evolution Premium	
On Sale Referral Commission	25% (Max R4000 per system)	25% (Max R5000 per system)	25% (Max R6000 per system)	25% (Max R15000 per system)	
Payroll Benefits			Accounting Benefits		
In-House Software Discount	25%	Forum Software Suite	R3440 (5user) / R4280 (10users)		
In-House ALF Discount Sage Pastel Partner Payroll software users only	20%	Forum Suite Renewal	R3698 (5user) / R4601 (10user)		
Training/seminars/workshops	15%	Training/seminars/workshops	10%		
Newsletter (product and specials info)	Yes	Newsletter (product and specials info)	Yes		
Reseller Zone	Yes	Reseller Zone	Yes		
Partner Information Sessions	Yes	Partner Information Sessions	Yes		
<p>Notes: Referral commission is payable on successful referrals only. For the following systems, Classic, Premier, People and X3 the software portion invoiced will be used to calculate commission; maximums are applied per system purchased - Payroll, HR & ESS have individual limits. Flex Referral commission will be paid after 6 successful payments. Referral commission will only be paid into SagePay accounts. Referrals must be emailed to your Liaison with the following details: Company name; contact person; contact number email address and physical address.</p>					

Applicable to: Reselling Forum members, Pastel Partner Payroll only.

Once off Sign-up Fee R 2999.00 (incl. VAT)

Status	Bronze	Silver	Gold
Sage Points(S)			
Targets			
<i>Targets for 12 months.</i>			
<i>01 October to 30 September. Net of Dealer discount</i>			
<i>Targets will be pro-rated based on joining date</i>			
	S1 000 Minimum	S 57 200 Min NCA- S 28 600	S 90 200 Min NCA- S 45 100

- **New Customer Acquisition (NCA):**

New Software -Upgrades to Advantage -New Modules-Reinstatements after 6 months -Additional Employees

- **Customer for Life (C4L):**

Payslips -Training, Exams Manuals -Seminars, workshops

- A minimum of 50% of the target achieved needs to be from NCA sales or you will drop to the Status based on your NCA sales achieved

Discount structure: Only for standard and advanced PCI's			
Software	35%	40%	45%
Stationery	10%	15%	15%
SDN's	30%	30%	30%
In-house ALF Discount	50%	75%	100%
ALF Rebates	5%	10%	15%

Note: Reselling Forum Member (FM) may refer new sale prospects for Sage VIP Classic; Sage VIP Premier; Sage VIP People and Sage X3 products, referral rebates structure for non-selling members will apply on successful sales. Sage Points on referral business for other Sage HR & Payroll products will be allocated on a like for like bases of a Pastel Partner Payroll Package. **Note: Non-PCI FM's that fail to meet SP 1,000 will be converted to Non-selling Forum status.**

Discount structure: Non- PCI's

Software	30%	30%	30%
Stationery	10%	10%	10%
In-house ALF Discount	25%	25%	25%

Training/seminars/workshops

PCI's	30%	30%	30%
Non-PCI's	20%	20%	20%

E-Books: ALL Business Partners will receive 100 Sage Points for each e-book sold as a manual add back.

Sage Pastel Payroll & HR PCI Training

Option 1: Self Study **R 3000.00** (incl. VAT) (incl. Exam) **(Effective 01/11/2016)**
 Option 2: Classroom Training **R 6 900.00** (incl. VAT) (incl. Exam) **(Effective 01/11/2016)**

Notes:

- a) A PCI Refresher Exam would need to be written between July and August annually.
- b) Pass rate on all examinations is 75%.
- c) All employees consulting or training on any Sage Pastel Payroll products should hold a PCI certification.
- d) When a PCI employee leaves the employment of the FM, the SHP BP team needs to be informed within 30days of this termination, where this employee is the only PCI certified employee of the FM the FM needs to submit a replacement strategy for the Vacant position or lose PCI Status and benefits

Online examinations and Training renewal

Advanced PCI Refresher Exam	R 499.00 (incl. VAT) (July – August 2016)
Advanced PCI Exam	R 599.00 (incl. VAT) (Specified Dates Monthly)

Training Renewal

R499.00 (incl. VAT) in **October annually** (Access to all the manuals for training/workshops/seminars via the Reseller Zone)

Earning Sage Points

Sales of Software (incl. Modules, Upgrades & Site Licenses), Stationery and Training(excluding PCI training and online exams)/Seminars/Workshops
 Please note that you are not allowed to purchase software/modules/upgrades or training/seminar courses for stock purposes or to attain your Sage Points target.

R1 = 1 Sage Point (S)

Roadshows	S 500 per attendee per session, limited to a maximum of S 2000 per session
Product Information Sessions	S 1000 per attendee per session
New Advanced PCI Certification	S 2000 per Standard or Advanced PCI Qualification passed
Refresher: Advanced PCI Certification	S 1000 per Advanced Refresher written
End User Events	<ol style="list-style-type: none"> 1. More than 25 companies = P 5000 2. 16 - 25 companies = P 3500 3. 15 companies and less = P 2500 <p>Please note that no assistance will be given from your regional branch if you have less than 15 companies.</p>

Marketing (PCI business partners only)

Marketing Rebate (Refer to Marketing Guidelines)	<p>Maximum of 50% contribution per item. Maximum rebate of 5% of annual turnover.</p>
Marketing Plan	<p>Submit a detailed, month by month, marketing plan for the financial year by 31 December and receive S 5000. Note: Random follow ups will be done during the course of the financial year. If you do not comply with your marketing plan, no manual Sage Points will be allocated.</p>

Referrals

Referrals on website for Stationery	<p>SDN Business Partners Only.</p> <ul style="list-style-type: none"> • Only applicable PCI Business Partners. • Only Advanced PCI Business Partners will be allocated 5-in-1 and advantage sales referrals.
Sales Referrals on New Software	<ul style="list-style-type: none"> • The referral will come from the relevant regional office. • Sales referrals include the sale of any additional modules or upgrades. • An active consulting-pack is a pre-requisite for receiving any referrals. • All referred software deals will be processed at the BP's normal discount less 25%

Priority support: Only applicable to PCI Forum Members

(All Business Partners will receive free, unlimited e-mail and telephonic support)

Priority Support line Standard and Advanced PCI's only.	<p>Please contact your regional branch for this priority support number if you do not have access to it:</p> <ul style="list-style-type: none"> • Eastern and Western Cape: +27 21 522 7400 • Kwa - Zulu Natal: +27 31 537 7100 • Gauteng and Outlying Areas: +27 11 304 4210
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Consulting pack Password Retrieval Tools: Only applicable to PCI Forum Members

- Please note that consulting packs will only be issued to PCI Forum Member.
- The consulting pack is for demonstration and consulting purposes only.
- If the consulting pack is used in any other way we will revoke the license with immediate effect.
- The overriding password will no longer be applicable. PCI Forum Members will be granted access to our connected services portal where a One Time Pin (OTP) will be supplied that will ensure access to your customer's data set.

Rebates: Only applicable to PCI Forum Members

- **Rebates pay-outs will only be paid into a SagePay Account**
- Please note that rebates are paid 4 months in arrears.
- All ALFR/Project clients rebate, end date being 28/02, 31/03 and 30/04, will only be paid out in July or August of that year, depending on the business processes in that period.
- There will be a 3 month window period to query any rebate payment, thereafter the rebate is forfeited.
- Monthly client's rebates will only be paid twice a year. In January, for the 6 months prior to January and in July, for the 6 months prior to July.
- **Flex client's rebates will be paid monthly one month in arrears.**

***Note: 12 month notice is required to move between Business Partner and Forum member contracts**