

DEBT COLLECTION AGREEMENT

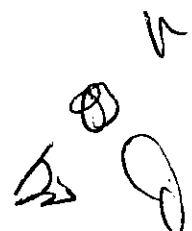
Between

CAPE AGULHAS MUNICIPALITY
("Client")
of
1 Dirkie Uys Street
Bredasdorp
7280

and

REAL PEOPLE
("Contractor")

IT IS AGREED AS FOLLOWS:-

Handwritten initials and a signature in the bottom right corner of the page.

1. DEFINITIONS

In this Agreement unless clearly inconsistent with the text and meaning hereof: -

- 1.1 The Act - means the Debt Collectors Act 114 of 1998;
- 1.2 Agreement shall mean - this Agreement together with any Annexures;
- 1.3 The Capital Amount shall mean - the amount owing to the Client by the Debtor as at the date of hand over to the Contractor;
- 1.4 The Client shall mean - **CAPE AGULHAS MUNICIPALITY;**
- 1.5 The Contractor shall mean - Real People Proprietary Limited (registration number 2001/004440/07);
- 1.6 Days shall mean - calendar days unless otherwise specified;
- 1.7 The Debtor shall mean - any person who is legally indebted to the Client and which debt is handed over to the Contractor in terms of this Agreement;
- 1.8 The Effective Date shall mean - the date of last signature hereof;
- 1.9 Parties shall mean - the Client and the Contractor;
- 1.10 Services shall mean - the debt collection services to be performed by the Contractor for the Client as set out in this Agreement;
- 1.11 words importing the singular shall, where necessary, include the plural and vice versa and words importing one gender shall, where necessary, include the others;
- 1.12 the headings in this Agreement are inserted for convenience purposes only and are not to be used in the interpretation hereof;
- 1.13 if any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of this Agreement;

- 1.14 in this Agreement wherever any number of days is prescribed, that number of days shall be calculated exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday;
- 1.15 the annexures to this Agreement shall be deemed to be incorporated in and form an integral part of this Agreement;
- 1.16 the terms of this Agreement have been negotiated, and accordingly the rule of interpretation of contracts that a contract shall be interpreted against the party drafting the contract shall not apply to this Agreement;
- 1.17 should any term or condition of this Agreement become invalid or unenforceable for whatsoever reason, such offending term or condition shall be severed from this Agreement and the remaining term and conditions shall be binding on the Parties.

2. APPOINTMENT

The Client hereby appoints the Contractor to carry out the Services with effect from the Effective Date on the terms and conditions contained herein.

3. DURATION

- 3.1 This Agreement shall commence on the Effective Date and shall endure for an initial period of twelve (12) months from the Effective Date and with the option to extent for another period not exceeding 24 months.
- 3.2 Both parties reserve the right to terminate the agreement by giving the other party 30 (thirty) days' notice in writing, unless otherwise determined in this Agreement. No Debtors will be handed over after notice was given.

4. CONTRACTOR'S OBLIGATIONS

- 4.1 The Contractor shall during the duration of this Agreement: -
- 4.1.1 comply with the provisions of the Act and all other legislation pertaining to the services;
- 4.1.2 only use legal and ethical means to collect the debts;
- 4.1.3 collect the debts on an individual basis and maintain separate accounts in respect of each Debtor handed over;
- 4.1.4 at all times ensure the confidentiality of the Debtors personal information and any other information relating to the debts or debtors;

4.1.5 be entitled to appoint any agent to assist in the collection of the debts provided that the Client will not be held liable for the actions and omissions of the Contractor or its agents;

4.1.6 provide, inter alia, the following services with regard to the collection of debts:-

4.1.6.1 establish contact with the Debtor to the extent that it is commercially viable as determined by the Contractor and obtain updated details of the Debtor;

4.1.6.2 endeavour to recover the debt, if not in full immediately, then by regular monthly payments from the Debtor;

4.1.6.3 endeavour to maintain sustainable and cost effective recovery of the debt.

4.1.6.4 handover of debt to institute further legal action in consultation with the client based on recommendations made by the contractor.

4.2 The Contractor shall be entitled to conclude an Agreement in respect of the restructuring of a debt within parameters set by the Client.

4.3 Should a debt be irrecoverable the Contractor will inform the Client on a monthly basis and the Contractor shall be entitled to cease its efforts to collect the debt and return all related documentation, to the Client. Notwithstanding anything to the contrary herein contained the Contractor shall be entitled to continue in its efforts to recover a debt for a period of twenty four (24) calendar months from the date upon which the debt is handed over to the Contractor for collection unless the Client has withdrawn the debt from the Contractor due to summons issued against the Debtor.

4.4 Should the Client be dissatisfied with the Contractor's collection performance, it is agreed that the Client will notify the Contractor of the problem area and the Contractor will be given 30 (thirty) days to remedy any problem or lack of performance failing which the Client may terminate this Agreement with immediate effect.

4.5 The Contractor may not add any fees to the accounts handed over unless authorised by the Client.

5. HAND OVER

5.1 The Parties record that Debtors will be handed over by the Client to the Contractor in order to initiate the debt collection process.

5.2 The process shall continue on the basis that the Client will provide a quarterly list of Debtors to be handed over to the Contractor and shall provide the Contractor with all details which the Client has in respect of the Debtors handed over on a quarterly basis.

5.3 There shall be no obligation upon the Client to hand over any minimum number/quantum of debtors to the Contractor and all handovers will be entirely within the Client's discretion.

5.4 The Client will have the right to, at no cost to the Client, withdraw any specific Debt that was handed to the Contractor if an administrative error is subsequently identified or legal process has been instituted by the Client.

6. REPORTING AND ACCOUNTING PROCEDURE

6.1 The Contractor will provide the Client with a monthly statement, within seven (7) business days after the completion of each completed calendar month end, setting out the collection of all moneys from the Debtors during the preceding calendar month.

6.2 Simultaneously with the provision of the monthly statement, the Contractor shall pay to the Client the amounts collected during the preceding calendar month from the Debtors together with a commission statement in respect thereof.

6.3 In the event that any of the Debtors should pay the Client directly, the Client shall deliver, within seven (7) business days of each completed calendar month end, a statement reflecting the amounts collected during the preceding month from the Debtors.

6.4 Non-compliance with this clause will entitle the Client to cancel this Agreement in writing without notice.

7. REMUNERATION

7.1 The Contractor shall be entitled to a commission in respect of Debts equal to 18% (Eighteen percent) of Debts collected and paid over to the Client.

8. INSPECTION OF BOOKS

The Client shall, at all reasonable time be entitled to inspect the Contractors books and records relating to the Debtors at the Contractor's premises.

9. INDEMNITY

The Client shall, at all reasonable time be entitled to inspect the Contractors books and records relating to the Debtors at the Contractor's premises.

10. BREACH

Should either Party to this Agreement breach any of its obligations in terms hereof and fail to remedy such breach within seven (7) days from the date of receipt of written notice calling upon it to remedy such breach, then and in such event, the aggrieved Party may cancel this Agreement or claim specific performance by the defaulting Party of all its obligations which shall forthwith become due in either case without prejudice to the aggrieved Party's rights to claim damages.

11. CONFIDENTIALITY

11.1 The Parties undertake, each to each other, during the duration of this Agreement and thereafter, should this Agreement be cancelled or terminated for whatsoever reason, to retain all information of a confidential nature relating to this Agreement and any other information of a confidential nature as strictly confidential and not to disclose such information to any party without the prior written consent of the other party which consent may be withheld for whatsoever reason.

11.2 The Parties undertake to ensure that all their employees, agents, as well as holding, subsidiary and associated companies, are likewise bound by the confidentiality provisions of this Agreement.

12. ANTI-BRIBERY AND ANTI-CORRUPTION

12.1 The Parties warrant that for the duration of this Agreement, they will comply with all laws and regulations applicable in South Africa relating to the prevention and combating of bribery, corruption and money laundering. In particular, the Parties undertake not to:

12.2 pay, promise to pay or offer to pay, any commissions, success fee, bribe, pay off or kickback related to the Services that violates any Anti-Corruption Regulations or enter into any agreement pursuant to which any such commission, success fee, bribe, pay off or kickback may, or will at any time, be paid; or

12.2.1 offer, promise or give any undue pecuniary or other advantage, whether directly or indirectly to any public official, with the intent of influencing the actions or decisions of such official in performance of his/her official duties, with the purpose of obtaining or retaining business or other improper benefit or advantage.

12.3 Any breach by either Party of the provisions of this clause 12 will be a material breach of this Agreement and shall entitle either party to cancel this Agreement immediately in writing without notice.

13. DATA PROTECTION

- 13.1 Each party is responsible for complying with its respective obligations under applicable privacy and data protection laws governing the collecting, processing and sharing of personal information.
- 13.2 Each party remains solely responsible for determining the purposes and means of processing of personal information under this Agreement, including that such processing will not place the other party in breach of any applicable privacy and data protection laws or stated requirements.
- 13.3 Each Party undertakes to implement measures to detect and/or prevent unauthorised access to its information technology systems and particularly in respect of protecting the integrity of and preventing unauthorised access to any Confidential Information belonging to the Client or Debtor that it has in its possession or under its control.
- 13.4 The Parties each acknowledge that either of them may, on reasonable notice, investigate the steps the other party is taking to comply with any applicable privacy and data protection laws.
- 13.5 The obligations contained in this clause shall endure, even after the termination of this Agreement for whatever reason.

14. GENERAL

- 14.1 This Agreement contains the entire Agreement between the Parties and no variation or consensual cancellation thereof shall be of any force or effect unless reduced to writing and signed by both Parties.
- 14.2 No indulgence granted by either Party or failure to exercise such Party's rights shall constitute a novation or waiver of the grantor's rights nor prevent the grantor from insisting on strict compliance by the other Party with his obligations in terms of this Agreement.
- 14.3 In the event of any term or condition contained in this Agreement being or becoming invalid or unenforceable for whatsoever reason such offending term or condition shall be severed from this Agreement and the remaining terms and conditions shall be binding on the Parties hereto.
- 14.4 The Parties respectively choose the following addresses as their chosen address for all purposes hereunder at: -

The Client - Cape Agulhas Municipality
P O Box 51
Bredasdorp
7280

The Contractor - 12 Esplanade Road
Quigney
East London
5201

14.5 Any notice required to be given in terms of this Agreement shall be validly given if: -

- 14.5.1 delivered by hand to the addressee's chosen address, in which event it shall be deemed to have been received on the date of delivery; or
- 14.5.2 sent by registered post to the addressee's chosen address in which event it shall be deemed to have been received by the addressee five (5) days after having so been posted; or
- 14.5.3 sent by telefax in which event it shall be deemed to have been received on the date of transmission, provided a hard copy thereof is, in addition to the telefax transmission, forwarded by registered post.

14.6 The rights and obligations of either of the Parties in terms of this Agreement shall not be ceded nor assigned to any other party without the prior written consent of the other party.

14.7 Each Party shall be responsible for its own legal costs incurred in the negotiating, drafting and signature of this Agreement.

THUS DONE AND SIGNED AT Bredasdorp on this the 3rd
day of December 2015 in the presence of the undersigned
witnesses.

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
for and on behalf of the Client
who warrants that he is duly
authorised to sign on behalf of
the Client

[Handwritten marks]

THIS DONE AND SIGNED AT EAST LONDON on this the 13

day of JANUARY 20 16 in the presence of the undersigned witnesses.

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
for and on behalf of the Contractor who warrants that he is duly authorised to sign on behalf of the Contractor

[Handwritten marks]