



**MEMORANDUM OF AGREEMENT ENTERED
INTO BY AND BETWEEN**

**The SEDIBENG DISTRICT MUNICIPALITY, herein represented by
YUNUS CHAMDA in his capacity as Municipal Manager, duly authorized thereto,
(hereinafter referred to as “Sedibeng”);**

AND

**SHOSHOLOZA FINANCE CC, Registration Number CK 9723024/23, herein
represented by JIMMY SARKIS in his capacity as the Managing Member, duly appointed thereto
hereinafter referred to as “Service Provider”).**

WHEREAS Sedibeng is planning to offer its employees who find themselves in onerous financial positions, personal financial rescue assistance.

AND WHEREAS Sedibeng wishes to engage the Service provider for the provision of the service.

AND WHEREAS the Service Provider is willing and able to render the required services under the terms and conditions herein recorded.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1.

Sedibeng hereby engages the Service Provider who hereby accepts such engagement to offer personal financial rescue plans for those of its employees who have need for such service.

2.

- 2.1 Notwithstanding the date of signature hereof, this agreement shall endure for a period of 3 (three) years commencing on 1 September 2014 and terminating on 30 August 2017.
- 2.2 The agreement may, upon expiry of the period referred to in 2.1, be extended for a further period agreed upon by the parties, subject to a review of the Service Provider's performance by Sedibeng, which shall be conducted 6 (six) months before the expiry of the full term of this agreement.

3.

Sedibeng shall have the following responsibilities:

- 3.1 Provide a stop order facility to enable for the Service Provider to recover the loans offered to its employees;
- 3.2 Waive the levy charged for the stop order facilities;
- 3.3 Subject to the consent of each affected employee, cede the garnishee book to the Service Provider to enable the service provider to:
- 3.4 Render such assistance and cooperation to the Service Provider in its rendering of the service as may reasonably be required;
- 3.5 Facilitate the resolution of any problem or conflict that may arise between the Service Provider and any of the employees, to the extent that it can.

4.

The Service Provider shall have the following responsibilities:

- 4.1 Provide a financial rescue service to those of Sedibeng's employees who may require such service, which is more fully described in Annexure "A" attached to this agreement, which shall form part hereof and shall be read as if herein specifically incorporated;
- 4.2 Provide the services referred to in 4.1 above at no cost to Council;
- 4.3 Exercise the necessary care and diligence in executing its duties, and ensure that the service it renders is at all times professionalism and in line with the best industry standards;

- 4.4 Execute its duties professionally and in line with the best industry standards, and, in doing so, exercise the utmost good faith towards Sedibeng and the other role players;
- 4.5 At all times exercise the utmost good faith towards Sedibeng and to the employees of Sedibeng, and, in rendering the service, always act in the interests of Sedibeng's employees;
- 4.6 Comply with all relevant legislation in the execution of its duties in terms of this agreement;
- 4.7 Provide to Sedibeng monthly reports on the status quo of the applications for loans made for each month, and on the rendering of the service generally;
- 4.8 In the event of any conflict with any of the employees of Sedibeng that it provides a service to, report such conflict to Sedibeng and cooperate with Sedibeng in the resolution of such conflict.

5.

The Service Provider indemnifies Sedibeng from liability for any damages howsoever they may arise suffered by any third party through the services that it provides.

6.

- 6.1 In the event that either party breaches any of the provisions hereof, the parties shall first negotiate between themselves with the intention of resolving the matter.
- 6.2 Should the breach persist subsequent to the negotiations mentioned above, the aggrieved party shall have the right to cancel this agreement, subject to any rights that may have accrued, and take such steps as may be necessary to recover any damages that may have been suffered.
- 6.3 Without prejudice to any pre-existing liability of either Party to the other, either Party may, by written notice, terminate this Agreement forthwith on any of the following events:
 - 6.3.1 if the other Party commits a material breach of any of the terms of this Agreement; or
 - 6.3.2 if the other Party commits any breach, other than material breach, of any of the terms of this Agreement and has failed to remedy such a breach within 14 (fourteen) days of being required to do so by written notice identifying the breach and steps which must be taken to remedy it.

7.

Any indulgence or leniency afforded by one party to the other shall not constitute or be construed as a waiver of any rights accruing to each party in terms of this agreement.

8.

Any amendment, alteration or addition to this agreement shall not be valid unless reduced to writing and signed by both parties.

The parties choose the following addresses as their *domicilia citandi et executandi*:

8.1 SEDIBENG : Civic Centre
Corner Leslie & Beaconsfield Streets
Vereeniging
1930

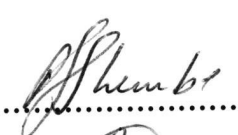
8.2 SERVICE PROVIDER : 35 Van Burren Road, Bedfordview, Post net Suite 144
Private Bag X19,
Gardenview
2047

DATED AND SIGNED AT VEREENIGING ON THIS THE 22 DAY OF SEPTEMBER 2014.



YUNUS CHAMDA

AS WITNESSES:

1. .....

2. .....

DATED AND SIGNED AT VEREENIGING ON THIS THE 22 DAY OF SEPTEMBER 2014.



JIMMY SARKIS

AS WITNESSES:

1. .....

2.....



SHOSHOLOZA FINANCE CC

35 Van Buuren Rd, Bedfordview, Post net Suite 144, Private Bag X19, Gardenview, 2047
Email: shosholoza@deltar.co.za
Tel: 011 455 0440 Fax: 011 455 0441

We are looking forward to the challenge of dealing with the Sedibeng Project which has to be implemented in a holistic basis.

Each and every person applying for financial guidance, whether it is in the form of a loan, advice or garnishee order will be dealt with personally and professionally.

We will be performing the task of financial adviser and planner, in other words they will have their own personnel bank manager.

Most people who have more than one dept (loan or loans) are heading for financial disaster. We intend to consolidate these loans where necessary and at the same time, supply the customer with an emergency monthly loan, i.e. for food, transport, school fees etc etc.

All garnish orders will be scrutinized and where the consumer had overpaid, we will insist on the money to be repaid with interest. Furthermore, we will check that all legal proceedings were followed with the issuing of such orders. Each and every garnish order will be examined individually.

Consumers who have been garnished for a period of 5 years or over will be rehabilitated but of course, the debt does not disappear. We will also be able to assist with this debt if so required.

We undertake to implement a range of measures to prevent over-indebtedness by lending responsibly. All internal consumer credit performance information, as well information available on credit bureaus will be considered when granting any credit. We will also diligently and accurately report to Sedibeng Municipality in the prescribed manner and form.

An affordability assessment, by taking into consideration the affordability guidelines issued by the NCR from time to time, will be completed to ensure all the financial means and obligations of the consumers can be met.

We have in place clear internal policies and procedures regarding the treatment of debt review applications and the handling of complaints and disputes, as set out in the Code

of Conduct of the National Credit Act that our employees and representatives have to adhere to in order to resolve financial distress and complaints ourselves, before referring any complaint to the NCR.

We will, to the best of our ability, try to improve our consumers' financial literacy and management by avoiding over-indebtedness, warning them about the negative consequences of being over-indebted and their rights.

We will offer the following training to consumers

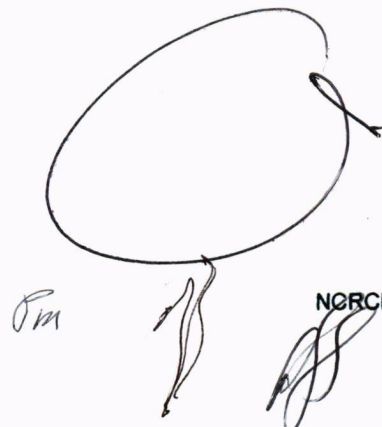
- Personal Budgeting – this aims to help the consumer manage their finances by drawing up a personal budget.
- Banking Products and Services – this aims to help the consumer understand banking services and basic products that are available to them.

Benefits of Consumer Financial Education

- Enables consumers to make more informed decisions about their finances and lifestyles.
- Offered free of charge to the consumer.
- Materials are available in languages predominant in that region or province.
- Used as an enabler for the business

We also undertake to report statistical information to Sedibeng Municipality annually as well as initiatives we have undertaken to promote consumer awareness and education.

In ending, as we will hopefully be the sole credit service provider, we will expect none of the consumers that we assist, to apply for debt review or consider going for administration.

A large, loopy handwritten signature is positioned above the initials 'PM' and 'NS'. The initials 'NS' are written in a stylized, cursive font.