



**MEMORANDUM OF AGREEMENT ENTERED INTO BETWEEN THETHA THETHA CELLULAR SERVICES (PTY) LTD**

(Registration No: 2003/008640/07) (hereinafter referred to as "THETHA THETHA") AND

Name & Surname/Company Name: \_\_\_\_\_

Identity #: \_\_\_\_\_ VAT Registration #: \_\_\_\_\_ Company Reg. #: \_\_\_\_\_

Reference Number: \_\_\_\_\_

Physical Address: \_\_\_\_\_  
which address is also chosen domicilium citandi et executandi by the OPERATOR (STAND NUMBER/STREET/NEAREST TOWN/PROVINCE)

Contact #: \_\_\_\_\_ Fax #: \_\_\_\_\_ Cell #: \_\_\_\_\_ Email: \_\_\_\_\_

Postal Address: \_\_\_\_\_  
(hereinafter referred to as "the OPERATOR")

**WHEREAS** THETHA THETHA has a business system suitable to establishing and operating a mobile prepaid airtime and electricity vending business and the OPERATOR desires to establish and operate this business subject to the terms and conditions set out in this agreement.

**IT IS AGREED THAT THETHA THETHA** sells to the OPERATOR, who hereby purchases a business system suitable for establishing and operating a mobile prepaid airtime and electricity vending business described hereunder ("the goods") upon the conditions of this agreement as set out herein.

Due to the new RICA law, we require a clear copy of your ID and proof of physical address (not a P.O Box address) if the machine goes under an individual's name. Should it go under a company name, we require company name, registered address, registration number and a legally authorised company representative (s) details including, full name and surname, identity number, residential or business address and contact number.

1. **DESCRIPTION OF GOODS:** A Timpa terminal comprising a Point Of Sale (POS) terminal and battery with built in thermal printer, charging circuitry and electricity cable.
2. **PURCHASE PRICE: R 1 699.00 (Incl. Vat)** (No returns and no refunds.)
3. **DURATION:** The agreement will commence from the date of signature and shall be valid as long as the OPERATOR abides by the terms of this agreement, failing which; it will be terminated in accordance with the provisions of this agreement.
4. **OBLIGATIONS OF THETHA THETHA:** THETHA THETHA shall, only provided that the payment referred to in clause 2 has been made in full:
  - 4.1 Supply a Timpa terminal as per above.
  - 4.2 Provide the OPERATOR with a unique reference number to be used for bank deposits
  - 4.3 Provide the OPERATOR with discounted prepaid airtime and electricity rates (as per schedule included), enabling the OPERATOR to sell this airtime and electricity at a profit. These discounts are subject to change without notice.
  - 4.4 Utilize its best endeavors to comply with any supply and/or delivery and any technical backup of the goods but shall not be liable to the OPERATOR for any losses or damages whatsoever, including consequential losses, in the event of such supply or delivery or any technical backup being delayed, interrupted or cancelled for any reason whatsoever or in the event that the goods are faulty in any respect. THETHA THETHA may in its discretion refer the OPERATOR to a third party who may undertake the supply and/or delivery and/or technical backup in its own name and behalf and / or as an agent of THETHA THETHA.
  - 4.5 Some electricity providers require pre-approval of a vendor's address before electricity vending can be activated. The turn-around time for approval can take up to 31 days (THIRTY-ONE DAYS) and Theta Theta **cannot** guarantee the success of the application.
  - 4.6 Theta Theta will not be held liable for changes made to electricity areas covered by Easy Pay, ESKOM or municipalities.
5. **OBLIGATIONS OF OPERATOR**
  - 5.1 The OPERATOR shall ensure that the goods are only used with due skill and care in accordance with THETHA THETHA'S specifications as given from time to time. The OPERATOR shall not alter or modify the goods.
  - 5.2 The OPERATOR shall ensure that only legal power sources are used for the goods.
  - 5.3 The OPERATOR indemnifies THETHA THETHA against any claim of any nature whatsoever which may at any time be made against THETHA THETHA arising from or connected directly or indirectly with the goods or the use or possession thereof.
  - 5.4 THETHA THETHA shall not be liable for any direct or consequential damages or loss suffered by the OPERATOR emanating from this agreement.
  - 5.5 Where Eskom or municipalities supplying electricity tokens do not make any provision for refunds, THETHA THETHA, while doing everything possible to assist, cannot extend more rights to its customers than it receives. In the unlikely event that an electricity voucher does not print for any reason, the OPERATOR should not refund the customer. **The last electricity voucher sold to a specific meter number can be reprinted and a pin number regenerated.** If the customer is unable to recharge his/her meter with the electricity pin no. provided, the customer should call the ESKOM or municipality helpline number on the voucher.
  - 5.6 The OPERATOR should not refund a customer for a "problem" airtime voucher until THETHA THETHA has confirmed with the network whether it has been used.
  - 5.6.1 The OPERATOR may not migrate the Timpa terminal to another Service provider base or make any changes to the software the Timpa terminal came with unless written consent from Theta Theta is given.
  - 5.6.2 The OPERATOR may only charge a customer the face value of the airtime or electricity voucher, should an OPERATOR charge a customer over and above the face value of the voucher, this contract will be cancelled.
  - 5.7. The OPERATOR shall ensure that the pre paid sim card supplied with the Timpa terminal has sufficient balance for GPRS transactions. The sim card balance should be regularly checked from the terminal and recharges performed when necessary.

**6. PAYMENTS**

6.1 The OPERATOR shall pay all monies due to THETHA THETHA directly to THETHA THETHA'S bank account the details whereof are as follows:

BANK: ABSA BANK  
ACCOUNT NAME: THETHA THETHA  
ACCOUNT TYPE: CURRENT ACCOUNT  
BRANCH: HEERENGRAGHT  
BRANCH CODE: 632756  
ACCOUNT NUMBER: **406 700 6647**  
DEPOSIT REFERENCE NUMBER: **3S.....**

**Only cash and eft deposits are accepted. If a cheque deposit is made, the prepaid machine will not be released and credit will not be loaded until the cheque has been cleared by the bank.**

6.2 The OPERATOR shall ensure that every direct or cash deposit contains the full reference number supplied to the OPERATOR. Payments will not be allocated to the OPERATOR without such reference being included with the direct deposit.

6.3 The OPERATOR must have a sufficient credit balance in order to sell prepaid airtime and electricity.

6.4 The terminal will not be able to sell prepaid airtime or electricity if it has run out of paper.

**7. EQUIPMENT**

7.1 All risk of loss, destruction or damage to or malfunction of the terminal equipment and associated courier fees shall vest in the OPERATOR. The OPERATOR is obliged to insure the goods against damage and theft.

**8. BREACH:** An event of default shall occur if the OPERATOR

8.1 breaches any terms of this agreement or any amendment thereto (all of which are agreed to be material) or;

8.2 being a natural person dies, or being a partnership dissolves, or being a private company sustains a change or shareholding; or

8.3 abandons the goods; or

8.4 the goods are damaged and not repaired, lost or destroyed; or generally does or omits to do anything which may prejudice THETHA THETHA'S rights in terms of this agreement, reputation, or cause THETHA THETHA to suffer any loss or damages. The OPERATOR shall be liable for all costs incidental to maintenance and safekeeping of the goods..

9. **FULL AGREEMENT:** The parties record that this document constitutes the full agreement between the parties and no alteration, amendment thereto will be binding unless reduced to writing and signed by both parties.

**10. WARRANTY**

10.1 THETHA THETHA shall provide the OPERATOR with a one year warranty for the Timpa for hardware failure not caused by human error. The warranty excludes all consumables. The re-chargeable battery has a 3 months manufacturer's warranty. The warranty is subject to the following provisions:

10.1.1 **Only legal power sources are used for the goods.** The usage of any illegal power sources shall immediately void the warranty;

10.1.2 The warranty does not cover the cables provided;

10.1.3 The warranty specifically excludes damage caused to the goods by Acts of God or vis maior and specifically excludes damage caused by negligence in any form.

**11. INSURANCE**

11.1.1 The goods shall be covered by optional insurance at a cost of R **35.00** per month, which sum is payable by the OPERATOR. The insurance policy is included with this agreement. Please delete this clause and initial if you do not wish to take insurance.

11.1.2 In the event of an insurance claim, the OPERATOR shall be liable to pay the excess.

**12. THEFT OR LOSS**

12.1 Should the goods be lost or stolen, the OPERATOR must report this occurrence to THETHA THETHA immediately and to a police station within 24 hours.

**13. MARGINS****NO TRANSACTION CHARGES**

<u>Network</u>	<u>Value</u>	<u>Cost</u>	<u>% Margin</u>	<u>Profit</u>	<u>Network</u>	<u>Value</u>	<u>Cost</u>	<u>% Margin</u>	<u>Profit</u>
Vodacom	R 5.00	R 4.75	5.00%	R 0.25	Cell C	R 5.00	R 4.70	6.00%	R 0.30
Vodacom	R 12.00	R 11.28	6.00%	R 0.72	Cell C	R 10.00	R 9.40	6.00%	R 0.60
Vodacom	R 29.00	R 27.26	6.00%	R 1.74	Cell C	R 25.00	R 23.37	6.50%	R 1.63
Vodacom	R 49.00	R 46.06	6.00%	R 2.94	Cell C	R 35.00	R 32.72	6.50%	R 2.28
Vodacom	R 55.00	R 51.70	6.00%	R 3.33	Cell C	R 39.00	R 36.46	6.50%	R 2.54
Vodacom	R 110.00	R 103.40	6.00%	R 6.60	Cell C	R 50.00	R 46.75	6.50%	R 3.25
Vodacom	R 275.00	R 255.75	7.00%	R 19.25	Cell C	R 70.00	R 64.75	7.50%	R 5.25
Vodacom	R 1,000.00	R 910.00	9.00%	R 90.00	Cell C	R 150.00	R 136.50	9.00%	R 13.50
MTN	R 5.00	R 4.77	4.50%	R 0.23	Telkom	R 40.00	R 36.40	9.00%	R 3.60
MTN	R 10.00	R 9.50	5.00%	R 0.50	Telkom	R 50.00	R 45.50	9.00%	R 4.50
MTN	R 15.00	R 14.25	5.00%	R 0.75	Telkom	R 100.00	R 91.00	9.00%	R 9.00
MTN	R 30.00	R 28.50	5.00%	R 1.50	Telkom	R 200.00	R 182.00	9.00%	R 18.00
MTN	R 60.00	R 56.70	5.50%	R 3.30					

<u>Network</u>	<u>Value</u>	<u>Cost</u>	<u>% Margin</u>	<u>Profit</u>	<u>Network</u>	<u>Value</u>	<u>Cost</u>	<u>% Margin</u>	<u>Profit</u>
MTN	R 180.00	R 167.40	7.00%	R 12.60					
WorldCall	R 10.00	R 9.40	6.00%	R 0.60	Virgin	R 15.00	R 14.32	4.50%	R 0.68
WorldCall	R 50.00	R 46.00	8.00%	R 4.00	Virgin	R 35.00	R 33.25	5.00%	R 1.75
WorldCall	R 100.00	R 91.00	9.00%	R 9.00	Virgin	R 50.00	R 47.50	5.00%	R 2.50
Sundial	R 50.00	R 42.75	14.50%	R 7.25					
Sundial	R 100.00	R 85.50	14.50%	R 14.50					
Sundial	R 200.00	R 171.00	14.50%	R 29.00					
ESKOM electricity			1.50%						
Municipality Electricity			1.00%						
Airtime Cash deposit fee			1.00%						

Margins are subject to change depending on market conditions

Electricity areas currently available are attached. Please initial bottom right of each page as confirmation that you are aware of the areas where you can currently vend electricity.

TERMINAL IDENTIFICATION DETAILS: SERIAL #: \_\_\_\_\_

SIGNED AT .....on this .....day of .....2010 IN THE PRESENCE OF THE UNDERSIGNED WITNESS

**WITNESSES:**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_

\_\_\_\_\_  
 SIGNATORY FOR THE OPERATOR:  
 AS SURETY IN PERSONAL CAPACITY (WHERE  
 APPLICABLE) AND IN A REPRESENTATIVE CAPACITY  
 CAPACITY (who by his signature warrants that he is duly  
 authorized thereto)

SIGNED AT .....on this .....day of .....2010 IN THE PRESENCE OF THE UNDERSIGNED WITNESS

**WITNESSES:**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_

\_\_\_\_\_  
 SIGNATORY FOR THETHA THETHA CELLULAR  
 SERVICES IN A REPRESENTATIVE CAPACITY

**OFFICE USE ONLY**

**ELECTRICITY SERVICE PROVIDERS:**

Prepaid electricity can be purchased at EasyPay pay-points nationwide:

Take note service providers as at August 2009

<b>Service Provider</b>	<b>Meters in the area</b>	<b>Areas</b>
<b>Breede Valley (Worcester)</b>	11 000	Worcester, De Doorns, De Wet, Hammshof, Moordkuil, Nuy, Rawsonville, Stettyn, Touws River, Voorsorg, Wilgerboomsriver
<b>City of Cape Town (Blaauwberg)</b>	60 000	Atlantis, Mamre, Pella, Melkbosstrand, Bloubergstrand
<b>City of Cape Town (Tygerberg)</b>	200 000	Belhar, Bellville, Boston, Brackenfell, Delmar, Durbanville, Edgemoed, Elsiesrivier, Goedemoed, Goodwood, Kenridge, La Rochelle, Mfuleni, Monte Vista, Oakdale, Parow, Parow Valley, Platteklouf, Ravensmead, Tiervlei, Tygerdale, Welgedacht, Welgemoed
<b>City Property (Pretoria)</b>	3 000	Pretoria
<b>Drakenstein (Paarl)</b>	25 000	Paarl , Wellington, Blouville, Goedehoop, Gouda, Hermon, Simondium, Soetendal, Suider Paarl, Voelvlei, Windmil
<b>Eskom</b>	3 million	National (including Khayalitsha in WC)
<b>Ga-Segonyana (Kuruman)</b>	2000	Kuruman, Bekker, Ga-Mopedi, Gathlose, Mothibistad, Seoding
<b>Govan Mbeki (Secunda)</b>	37 000	Secunda, Bethal, Charl Cilliers, Evander, Kinross, Leandra, Roodebank, Trichardt
<b>Knysna</b>	8000	Knysna, Barrington. Karatara, Sedgfield
<b>Madibeng (Brits)</b>	15 000	Brits, Assen, Besstekrall, Broederstroom, De Wildt, Die Moot, Elandsrand, Hartbeespoort, Hebron, Jacksonstuin, Kgabalatsane, Kleinfonteinstad, Dkosmo, Lerulaneng, Letlhabile, Mabolok, Makgabetlwane, Mamogaleskraal, Mooinooi, Motshikiri, Pansdrif, Pelindaba, Rashoop, Schoemansville, Skeerpoort, Sonop
<b>Midvaal</b>	5 000	Meyerton, Daleside, De Deur, Henly-on-Klip, Highburg,

<b>(Meyerton)</b>		Randvaal, Walkerville
<b>MSI</b>	1 000	Nationwide
<b>Power Measurement</b>	3 500	Nationwide
<b>Randfontein</b>	17 000	Randfontein, Finsburg, Kocksoord, Mohlakeng
<b>Richard's Bay/ City of Umhlathuse</b>	7 000	Richard's Bay, Empangeni, Felixton, Ichubo, Mzingwenya, Port Durnford, Vulindlela
<b>Stellenbosch</b>	30 000	Stellenbosch, Franschoek, Groot Drakenstein, Kylemore, Lynedoch, Pniel, Steynrust
<b>Emathleni (Witbank)</b>	30 000	Witbank, Ogies & Kriel
<b>George</b>		Await outcome of tender
<b>Khara Hais (Upington)</b>	13 000	Upington. Die Rand Flora Park, Oostevore, Blyde veld, Keidebees, Middelpoort, Da quata, Rosedale, Bellview, Uitbreiding 12, Kalksloot, Sesbrugge, Raaswater, Louisvaledorp, Louisvaleyeg, Ntsikilelo, Lesiding.
<b>Kouga (Jeffreys Bay)</b>		Integration – in progress
<b>GEMS</b>		Nationwide
<b>PEC</b>		Nationwide
<b>Johannesburg City Power</b>	+120 000	Lenasia, Reuven, Siemert, Randburg, Alexandra, Midrand, Roodepoort, Hursthill
<b>STD Electric</b>		
<b>Mogale City</b>	6 000	Munsieville, Kagiso, Krugersdorp, Magaliesburg, Hekpoort, Maanhaartrand
<b>Berg River Municipality</b>		Piketberg, Velddrif, Porterville, Redelinghuys, Eeandekuil, Wittewater, Aurora, Goedverwacht, Dwarskersbos, Laaiplek
<b>Centlec Municipality (Bloemfontein)</b>		Bloemfontein, Thaba Nchu, Botshabelo, Dewetsdorp, Faresmith, Edenburg, Wepener, Jagersfontein, Trompsburg, Vanstadensrus, Smithfield, Zastron, Springfontein, Philippolis, Bethulie, Rouxville, Gariep Dam
<b>Sol Plaatje (Kimberley)</b>	37 940	Kimberley
<b>RMT</b>	60 000	Cape Town areas

Thetha Thetha will not be held liable for changes made to electricity areas covered by Easy Pay, ESKOM or municipalities.



**INSURANCE POLICY COVERING TIMPA TERMINAL**

**INSURED DETAILS:**

Name: \_\_\_\_\_  
Identity Number: \_\_\_\_\_  
Reference Number: \_\_\_\_\_  
Residential Address: \_\_\_\_\_  
Contact Number: \_\_\_\_\_  
Business Address: \_\_\_\_\_

**1. Defined events:** Loss of or damage to the whole or part of the property while anywhere in the world by any accident or misfortune provided that the insured shall be responsible for the first amount payable as stated in this schedule in respect of each and every event except a claim resulting from fire, lightning or explosion.

- Specific exceptions :** The insurer shall not be liable for loss of or damage to property resulting from or caused by:
- (a) theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit;
  - (b) its undergoing a process of cleaning, repair, alteration or restoration;
  - (c) inherent vice or defect, vermin, insects, damp, mildew or rust;
  - (d) the dishonesty of any principal, partner, director or employee of the insured whether acting alone or in collusion with others;
  - (e) detention, confiscation or requisition by customs or other officials or authorities;
  - (f) wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
  - (g) mechanical, electronic or electrical breakdown failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
  - (h) loss of or damage to goods consigned under a bill of lading.
  - (i) damage to goods caused by use of an illegal power source or an incorrect way of charging.

**Specific conditions Replacement value condition (if stated in the schedule to be included)**

The basis upon which the amount payable is to be calculated shall be either the replacement of the property by similar property in a condition equal to, but not better nor more extensive than, its condition when new or the repair of the property to a condition substantially the same as, but not better than, its condition when new provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the commencement of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

**Specific extensions Increase in cost of working extension (if stated in the schedule to be included)** The insurance under this item is limited to expenditure not otherwise recoverable under this section, necessarily and reasonably incurred as a result of loss of or damage to property for which payment is made or liability therefore is admitted under this section, for the purpose of maintaining the normal operation of the business.

**Riot and strike extension**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of

- (i) civil commotion, labour disturbances, riot, strike or lockout;
  - (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above; provided that this extension does not cover
    - (a) loss or damage occurring in the Republic of South Africa or Namibia;
    - (b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
    - (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
    - (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
    - (e) loss or damage related to or caused by an occurrence referred to in general exception I (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.
- If the company alleges that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this section, not the burden of proving the contrary shall rest on the insured.

**Cost and excess**

The monthly cost for this insurance policy is **R 35.00**, payable on 1<sup>st</sup> day of every month into the Thetha Thetha bank account. The excess (first amount payable in the event of a claim) is 10% of the claim with a minimum of R 300.00. The insured's bank account will be debited for this amount and the insured authorizes Thetha Thetha to debit his/her account for this amount. Should the insured account have insufficient funds, this insurance policy will then be immediately cancelled.

**SIGNED AT** .....on this .....day of .....2010

NAME OF INSURED

SIGNATORY FOR THE INSURED