

MEMORANDUM OF AGREEMENT

between

KZN OILS (PTY) LTD

Registration number: 2001/021458/07

("KZN Oils")

and

SIPHAMANDLA OBERT ZULU

Identity number: 650305 6061 085

("Operator")

1. INTRODUCTION

- 1.1 KZN Oils is a branded marketer and wholesale supplier for Chevron products.
- 1.2 Operator, or his duly appointed nominee, wish to operate a Chevron-branded retail fuel outlet at premises situated at Mantungweni Reserve, Ward 1, Ulundi Municipality, Mahlabathini ("the Property").
- 1.3 The Property Custodian has consented to the Operator operating a Chevron-branded retail fuel outlet at the Property.
- 1.4 The parties are willing to work together to achieve this result as set out in this Memorandum of Agreement.

2. BINDING AGREEMENT

This Memorandum of Agreement is binding on both parties and is effective upon the last day of signature hereof.

3. MEMORANDUM OF AGREEMENT

- 3.1 The parties shall use their best endeavours to conclude a supply and franchise agreement ("the Agreement") with KZN Oils for an initial period of 10 years commencing on the date of fulfilment of the last suspensive

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condition set out in clause 3.2, with 2 additional renewal periods of 5 years, exercisable by KZN Oils (collectively "the Duration"), as soon as possible after the last signature of this agreement and, pending signature of the Agreement, the Operator hereby agrees that, for the Duration,:

- 3.1.1 he will only sell and market at the Property such fuel products as supplied by KZN Oils to the exclusion of all others;
- 3.1.2 he shall procure that a notarial servitude is registered over the Property in favour of KZN Oils which restricts the Property from being used for any purpose other a retail fuel outlet selling only such fuel products as supplied by KZN Oils or its successor;
- 3.1.3 in respect of the price of the fuel products, this will be based on the RAS pricing, provided that KZN Oils may retain the RAS matrix margin related to pumps and tanks, a brand fee of 5 cents per litre and a return of 12% per annum on the verified cost of the Caltex signage erected on the site, noting that the signage return is due to the face that the Benchmark Service Station upon which the RAS pricing matrix is based, is a white site without any brand signage;
- 3.1.4 he will exclusively brand the service station at the Property with Chevron branding, as approved in writing by KZN Oils;
- 3.1.5 he will order a minimum of 40 000 litres of diesel and/ or petroleum from KZN Oils per delivery; and
- 3.1.6 he will comply with all reasonable requests from KZN Oils regarding the operation of the services station at the Property.
- 3.2 The New Agreement must include, among others, the provisions detailed above and will be conditional upon the following suspensive conditions being fulfilled :
 - 3.2.1 The Operator must obtain a fuel retail licence;
 - 3.2.2 plans must be approved for the construction of a fuel retail outlet on the Property and in this regard it is further agreed that all costs of construction of the service station will be paid by the Operator and the



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costs of obtaining and installing the required pumps and tanks will be paid by KZN Oils;

3.2.3 the Property must be re-zoned by the Operator to enable it to operate a fuel retail outlet thereon;

3.2.4 the relevant authority must approve the relaxation of the building line, which application must be made by the Operator at its cost.

3.3 The parties must use their best endeavours to procure that the Agreement is signed within 60 days of the date of last signature of this agreement.

4. BREACH

4.1 Without prejudice to its other rights, a party may immediately terminate this agreement if the other party:

4.1.1 materially breaches any provision of this agreement that is incapable of being remedied; or

4.1.2 breaches any other provision of this agreement and fails to remedy such breach within 14 Days of receipt of a notice from the aggrieved party calling on it to do so.

5. DISPUTES

5.1 Any dispute which arises out of or in connection with this agreement may be referred by a party in writing to the other party for resolution.

5.2 The parties or their representatives must attempt to meet within 10 Days of the date of receipt of the dispute referral and should they fail to resolve the dispute or to meet or to agree in writing on an alternative dispute resolution process (including but not limited to arbitration or mediation) within such 10 Day period, or within such extended date as may be agreed to, either party may take whatever lawful action it deems appropriate to resolve the dispute.

5.3 This clause does not prevent either party from applying to any court having jurisdiction for appropriate urgent relief.

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6. NOTICES AND ADDRESSES FOR SERVICE

- 6.1 Unless otherwise specified any notice or communication in terms of this agreement:
- 6.1.1 must be in writing to be effective;
- 6.1.2 must be sent by hand, registered post or e-mail to the addresses below, which physical addresses the parties select as their respective domicilium citandi et executandi:

KZN Oils	Attention: Rajen Reddy 45 Chris Hani Road, Briardene, Durban 4051 P O Box 74134 Rochdale Park, Springfield, 4034 E-mail: reddy@kzn oils.co.za
MR ZULLU	ATTENTION: MR S.O. ZULLU. P O Box 350, NODDONGA E-mail: 3450

- 6.2 A party may change its address to any other address within South Africa. Such change will only take effect upon receipt or deemed receipt of such notice by the other party.
- 6.3 Any notice or communication shall:
- 6.3.1 if delivered by hand during business hours to the person apparently in charge of the premises selected by the addressee for the delivery of notices, be deemed to have been received on the date of delivery;
- 6.3.2 if sent by registered post to the selected address, be deemed to have been received 6 Days after posting;
- 6.3.3 if sent by e-mail to the selected e-mail address of the addressee, be deemed to have been received on the first business Day following the date on which it has been transmitted from the information system under the control of the sender.

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 [Signature]

6.4 Any written notice or communication which has actually been received by a party shall be regarded as sufficient notice even if it has not been sent in the manner or to the address provided for above.

7. **MISCELLANEOUS LEGAL PROVISIONS**

7.1 This is the whole agreement between the parties containing all of the express provisions agreed on by the parties with regard to the subject matter hereof.

7.2 No party may rely on any representation which allegedly induced that party to enter into this agreement, unless the representation is recorded herein.

7.3 No agreement varying, adding to, deleting from or cancelling this agreement (including this clause) and no waiver of any right under this agreement shall be effective unless in writing and signed by or on behalf of the parties.

7.4 No relaxation by a party of any of its rights in terms of this agreement at any time shall prejudice or be a waiver of its rights (unless it is a signed written waiver) and it shall be entitled to exercise its rights thereafter as if such relaxation had not taken place.

7.5 No party may cede, delegate, assign or sub-contract any of its rights or obligations in terms of this agreement without the prior written consent of the other parties.

7.6 This agreement shall be governed by and construed according to the law of South Africa.

7.7 Headings of clauses are inserted for the purpose of convenience only and must be ignored in the interpretation of this agreement.

7.8 For the purposes of this agreement:

7.8.1 "Business Day" means any Day other than a Saturday, Sunday or South African Public Holiday;

7.8.2 "Day" means a calendar Day;

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7.8.3 whenever any number of Days is prescribed, it excludes the first and includes the last Day unless the last Day falls on a Saturday, Sunday or South African public holiday in which case the last Day will be the next succeeding business Day.

7.9 Each party must bear its own legal costs incidental to the negotiation, preparation and implementation of this agreement.

SIGNED at Durban this 24th Day of JULY 2017

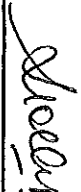
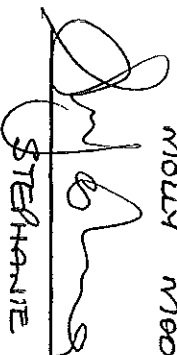


For KZN OILS (PTY) LTD
who hereby warrants that (s)he is duly
authorised to sign this agreement on its
behalf
Full names ARDEL RENOT
Designation CHIEF MANAGER

SIGNED at Durban this 24 Day of JULY 2017


SIPHAMANDLA OBERT ZULU

WITNESS :

MOLLY MODOLEY

STEPHANIE JOSUA




S.O.Z.

