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CONSORTIUM AGREEMENT

between

LEBONE LITHO PRINTERS (PTY) LTD

Registration Number 2005/038840/07;

and

NOVUS HOLDINGS LTD

Registration Number 2008/011165/06;

and

UTi SA (PTY) LTD

Registration Number 2004/015747/07

FOR PRINTING & DELIVERY OF SCHOOLBOOKS

FOR THE DEPARTMENT OF BASIC EDUCATION

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UTI SA (PTY) LTD

1. DEFINITIONS

Unless otherwise stated, or the context otherwise requires, the words and expressions listed below shall bear the meanings ascribed to them:

- 1.1 **Affiliates** – any company which, whether directly or indirectly, Controls or is Controlled by or is under common Control by any of the Parties to this Agreement referred to in this Agreement, as the case may be;
- 1.2 **Agreement** – this Consortium agreement together with any appendices hereto;
- 1.3 **Business** – the business of the Consortium, being that of printing and supplying the Deliverables to the Department of Basic Education in accordance with the terms and conditions of the Contract;
- 1.4 **business day** – any day of the week except Saturdays, Sundays and any

public holiday in the Republic of South Africa;

1.5 **Confidential Information** – shall include all information owned by the Parties and disclosed to the other Parties in terms of the provisions of this Agreement, which shall include but shall not be limited to:

- 1.5.1 information relating to the commercial and financial activities of the Parties, which will include but will not be limited to legal, financial, contractual or commercial arrangements between the Parties and their customers or third parties;
- 1.5.2 confidential information and details regarding current or prospective customers, suppliers, commercial associates and other parties with whom the Parties enjoy a commercial relationship;
- 1.5.3 proposed, impending or actual commercial transactions, arrangements, ventures, agreements and opportunities which are of a confidential or secret nature;
- 1.5.4 know-how, ideas, trade secrets, plans, diagrams, drawings, designs and processes, including material compositions, warehousing and distribution pricing, distribution schedule, timetables, routes and route structure, formulae, financial results and financial projections, locations, training and human resources management, drawings, specifications, client lists and details, computer programmes and the like relating to the Parties;
- 1.5.5 descriptions of the Parties' corporate structure, shareholdings, franchise and/or gain sharing arrangements, proprietary debt-financing structures, proprietary preference-share financing structures, trade mark and intellectual property valuation structures, or any other industry specific or proprietary intellectual property;
- 1.5.6 any written information which is labelled "confidential" or "proprietary" before it is disclosed to any Party; and
- 1.5.7 any oral information which is preceded by a statement relating to business methods, business reports, studies and or documentation that is intended to be confidential and is later reduced to writing by

any Party and delivered to the other Parties within 30 days of oral disclosure thereof;

1.6 **Contract** – the Contract/s to be concluded between the Consortium and the Department of Basic Education for the Deliverables that will or might be awarded to the Consortium, as a consequence of the Consortium's response to the current tender RT22-2016 of the Department of Basic Education in which the Consortium participates for the printing and delivery of the Deliverables, including any future tenders submitted to the Department of Basic Education in respect of schoolbooks and/or materials to be printed and furnished by the Consortium to the Department of Basic Education resulting in the extension or renewal of the Contract, as well as any expansion thereto and/or including a new contract in relation to the printing and delivery of schoolbooks and/or materials, which the Parties contemplate and agree shall include SCHOOL YEARS 2017, 2018, 2019, and if extended, 2020 and 2021;

1.7 **Control** – in relation to a company means:

1.7.1 the beneficial ownership, directly or indirectly (whether through the holding of voting shares in a chain of subsidiaries or otherwise) of more than 50% of the economic benefit of that company; and

1.7.2 the beneficial ownership, directly or indirectly (whether through the holding of voting shares in a chain of subsidiaries or otherwise) of more than 50% of the voting shares of that company; or

1.7.3 the right, directly or indirectly (through the holding of voting shares in a chain of subsidiaries or otherwise) to exercise more than half the voting rights in respect of the issued shares of that company; or

1.7.4 the power, directly or indirectly (through the holding of voting shares in a chain of subsidiaries or otherwise) to appoint, and remove, the majority of the board of directors of that company; and

the words "Controls", "Controlled" and "Controlling" shall have corresponding meanings;

- 1.8 **Consortium** – the Consortium created by this Agreement and any agreements supplemental to it;
- 1.9 **Deliverables** – the schoolbooks and materials to be printed and furnished by the Consortium to the Department of Basic Education in terms of the Contract, subject to the terms of the Agreement;
- 1.10 **Department of Basic Education or DBE** – the Department of Education of the Republic of South Africa, whether the Department of Basic or Higher Education;
- 1.11 **Distribution Centre** – the distribution centre referred to in clause 3.4.5 below, situated on the Effective Date at 5a Combrinck Street, Alrode, Alberton, Gauteng or such other location agreed between the Parties in writing;
- 1.12 **Effective Date** – the date of signature of this Agreement by the Party last signing;
- 1.13 **Lebone Litho** – Lebone Litho Printers (Pty) Ltd, a company duly incorporated and registered with limited liability in accordance with the company laws of the Republic of South Africa, **Registration Number 2005/038840/07**;
- 1.14 **Management Committee** – the body established in terms of this Agreement to manage all aspects of the work of the Consortium in securing and executing the Contract and carrying out the Business;
- 1.15 **Member** – a member of the Management Committee;
- 1.16 **Novus Holdings or Novus** – Novus Holdings Ltd, a company duly incorporated and registered with limited liability in accordance with the company laws of the Republic of South Africa, **Registration Number 2008/011165/06**;

- 1.17 **Parties** – Lebone Litho, Novus and UTi and "**Party**" shall mean either one of them, as the context requires.
- 1.18 **Printing Work** – all printing work in respect of the Deliverables;
- 1.19 **Schedule** - the schedule/s, as referred to in the Agreement, in respect of and applicable to any costing and pricing in relation to the Deliverables and the allocations between the Parties, being supplemental to this Agreement for purposes of the Contract and all being part of the Confidential Information not for third party scrutiny and contained in a such **Schedule** with reference to this Agreement - in respect of the aforesaid Schedule/s for each such costing and pricing, the Parties shall sign a Schedule marked "**Schedule-Consortium**" and bearing a reference to this Agreement, which may at any time after the Effective Date, whether as a new Schedule or in substitution for or in addition to an existing Schedule, be signed by the Parties, each Schedule to be dated and numbered consecutively;
- 1.20 **UTi** – Uti SA (Pty) Ltd, a company duly incorporated and registered with limited liability in accordance with the company laws of the Republic of South Africa, **Registration Number 2004/015747/07**
- 1.21 **VAT** – value added tax levied in terms of the Value Added Tax Act, No 89 of 1991, as amended.

2. INTRODUCTION

- 2.1 The Parties formed the Consortium under the title of Lebone Novus UTi for purposes of the Contract, on the terms and conditions set out in this Agreement.
- 2.2 It is acknowledged and agreed by the Parties, as regards the Consortium, that:
 - 2.2.1 Lebone Litho possesses Information Technology/Data Management /Call Centre/Project Management /Enterprise Management System and certain printing capacity;
 - 2.2.2 Novus through its Affiliates possesses the necessary operational capacity to print the Deliverables and the Parties wish the Consortium

to be engaged in all such printing work , for the joint benefit of the Parties ;

2.2.3 UTi possesses the necessary operational capacity to receive/store, pick and pack and distribute all the Deliverables in accordance to the Terms of Reference ("**the TOR**") of the Contract.

2.3 The Parties record the terms and conditions of their agreement as is set out herein.

3. **CONSORTIUM**

3.1 **Establishment**

The Parties agree to establish the Consortium for purposes of the Contract with the Department of Basic Education (if and when and to the extent awarded to the Consortium from time to time) for the printing, receiving, storing, picking and packing and distribution of the Deliverables, and to attend to the tasks pertaining to the Contract, as an unincorporated association on the terms and conditions recorded in this Agreement and guided by the Contract.

3.2 **Purpose of the Consortium**

3.2.1 The sole purpose of the Consortium shall be to secure and execute the printing, receipt, storage, picking and packing and distribution of the Deliverables, pertaining to the Contract as specified in the tender document for the Contract, and any further tender documentation in relation to a further Contract/s, for the benefit of the Parties and the general nature of its business shall be the operation of the Business.

3.2.2 The liaison and submission of the Contract to DBE shall be the responsibility of Lebone Litho, provided that it shall be done at all times in prior consultation with Novus and UTI (*see clause 3.4.3 below*).

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3.3 Duration

- 3.3.1 The Consortium shall commence on the Effective Date.
- 3.3.2 It is recorded that if the Consortium is awarded the Contract, then the Contract will be executed and finalised in accordance with these terms and conditions in conjunction with any applicable Schedule.
- 3.3.3 If the Consortium is awarded any further Contracts by the Department of Basic Education (as defined), the Consortium shall automatically continue for the duration of such further Contract/s, subject to clause 3.3.4 below.
- 3.3.4 After execution and completion of the Contract pertaining to the Deliverables, the Consortium shall continue indefinitely in respect of the Printing Work and delivery of the Deliverables, until terminated in writing by either Party with 3 (three) months prior written notice.

3.4 Printing Work in terms of the Contract and outsourced services

- 3.4.1 In accordance with the understanding set out in clause 2 above, but subject to 3.4.2 below, Novus through its Affiliates shall act as a preferred service provider in respect of all the Printing Work.
- 3.4.2 The Printing Work shall be conducted by Novus through its Affiliates at arms' length terms and conditions and prices which may reasonably be expected from time to time in the printing industry in general. The pricing structure shall be as agreed from time to time in terms of the Contract.
- 3.4.3 Lebone Litho shall be the leading entity responsible for the procurement and correction of data/project management /direct liaison with the Department of Basic Education and responsible for invoicing of the distribution to the DBE. Lebone Litho will be the signatory to the Contract between the Consortium and the Department of Basic Education, subject to the prior written approval of the SLA is obtained in consultation with Novus and UTi.
- 3.4.4 Lebone Litho will ensure that the order for all the Printing Work is placed with Novus, and that the Contract will contain full particulars in

respect of the precise description of the matter to be printed and the specifications thereof, the total print order and the dates from time to time on which the Deliverables is required for dispatch.

- 3.4.5 The picking and packing of the Deliverables as part of the warehousing and distribution function in relation thereto shall be conducted at the Distribution Centre in Gauteng (or such other place agreed from time to time by the Management Committee), and shall be operated by and be the primary responsibility of UTi;
- 3.4.6 The Parties have agreed, with reference to Deliverables to be printed, that Lebone Litho will, subject to them having the proven print capacity and/or capability to deliver the print work on time within the required time frames, be granted the opportunity to print a portion of this work by mutual agreement between Novus and Lebone Litho. For the time being that Lebone Litho does not have the print capacity and/or capability to deliver these Deliverables on time themselves or in the absence of the aforesaid mutual agreement, the printing thereof will then be done by Novus and its Associates;
- 3.4.7 The cost of transportation incurred by Novus Holdings to transport the Deliverables from Paarl Media Paarl and/or Paarl Media Cape and/or Paarl Media Gauteng and/or Paarl Media KZN, to the Distribution Centre shall form part of the printing costs of Novus in respect of the Deliverables.

4. ACCOUNTING AND PAYMENT

- 4.1 Novus shall, or undertake to procure that its Associates will, provide Lebone Litho with copies of the written invoices in executing all the Printing Work by not later than the 15th (fifteenth) day of each month following the month in which the Deliverables were delivered to the Distribution Centre by Novus.
- 4.2 Any amount due to Novus shall be invoiced by Novus directly to the Department of Education in accordance with the Contract, and Novus shall be entitled to collect and receive payment in full in accordance with 4.3 below.

- 4.3 All amounts due relating to the Printing Work shall be paid into the designated Novus bank account.
- 4.4 All other amounts (save for the Printing Work) due by the Department of Education in accordance with the Contract shall be invoiced by Lebone Litho to the DBE, and Lebone Litho shall be entitled and obliged to collect and receive payment thereof in full. All amounts thus paid shall be paid into the N/A bank account.
- 4.5 UTi shall, or undertake to procure that its Affiliates, *inter alia* for purposes of clause 4.4 above, provide Lebone Litho with copies of the written invoices in executing the warehousing, delivery and distribution of the Deliverables by not later than the 15th (fifteenth) day of each month following the month in which the Deliverables in question were delivered and distributed by UTi to the various delivery addresses in accordance with the TOR.
- 4.6 All amounts payable to UTi relating to the warehousing and distribution costs as set out in the Schedules from time to time will be invoiced by UTi to Lebone Litho and paid by Lebone Litho into the designated UTi bank account, on the payment terms agreed in the Schedule, whether or not Lebone Litho or the Consortium has received funds from DBE or not.
- 4.7 Any mark-up in respect of the printing of the Printing Work shall accrue to Novus as regards to the printing and to Lebone Litho/UTi as regards the warehousing and distribution of the Deliverables.
- 4.8 The pricing in respect of the print, pick & pack and distribution will be in the tender for purposes of the Contract, and any allocations between the Parties as regards the aforesaid pricing shall be contained in Schedule(s), *mutatis mutandis*, on the basis set out in clause 1.19 above.

5. MANAGEMENT

- 5.1 Except as otherwise provided in this Agreement, all matters of policy concerning the activities of the Consortium pursuant to this Agreement and the Business of the Consortium, shall be governed by decisions of the Management Committee.

- 5.2 The Management Committee shall consist of 6 (six) Members, namely **Keith Michael** and **Kosta Diamantakos** appointed by Lebone Litho, **Keith Vroon** and **Mike Ehret** appointed by Novus and **Greg Saffy** and **Gerhard Muller** appointed by UTi.
- 5.3 Members may be changed by written notice given by the appointing Party to the other Parties.
- 5.4 In the event that a permanent vacancy shall occur on the Management Committee, the Party concerned shall, within 10 (ten) business days of such occurrence, appoint a new Member to fill such vacancy and shall notify the other Parties thereof in writing.
- 5.5 The first Members of the Management Committee shall be as set out in 5.2 above.
- 5.6 Any Member shall be permitted to nominate in writing, within 7 (seven) days of his or her own appointment, an alternate in the event of him or her being unable to attend any meeting of the Management Committee.
- 5.7 Each Party shall be deemed to have delegated to their respective Members, or their alternates, full power to transact on their behalf all matters relating to this Agreement and the business of the Consortium, with the exception of any amendments to this Agreement.
- 5.8 Each Member, or his alternative, shall have 1 (one) vote.
- 5.9 Meetings of the Management Committee shall be held in such places and at such times as shall from time to time be decided by the Management Committee, provided that meetings shall be held at intervals not exceeding every 1 (one) month.
- 5.10 All business transacted at the meetings of the Management Committee shall be recorded in a suitable minute book to be kept at such place as the Management Committee shall determine. Such minute book shall at all times be available for inspection by any Member (or his alternate) or by any authorised representative of any of the Parties.

- 5.11 Notwithstanding the provisions of 5.9, each Party shall be entitled to convene a meeting of the Management Committee at any time by giving at least 7 (seven) days prior written notice to the other Parties.
- 5.12 Each Member shall receive at least 7 (seven) days prior written notice of any meeting of the Management Committee together with an agenda for the meeting, unless the Members agree to a shorter period.
- 5.13 A resolution in writing signed by all the Members and inserted in the minute book kept in terms of 5.10 shall be valid and effective as if it had been passed at a meeting of the Management Committee duly called and constituted. Such a resolution may consist of several documents of the same form, exchanged by telefax or by other means, each of which is signed by one or more of the Members in terms of this clause 5.13, and shall be deemed to have been passed on the date of signature thereof by the last Member of the Management Committee.
- 5.14 A quorum of any meeting of the Management Committee shall be constituted by the attendance at the meeting of at least **3 (three)** Members, one each from Lebone Litho, Novus and UTi respectively.
- 5.15 Where possible, all decisions of the Management Committee shall be taken by unanimous resolution. In the event that the Management Committee is unable to reach a unanimous decision the matter shall be decided by a majority vote of the Members present.
- 5.16 In the event that a quorum is not obtained for any meeting of the Management Committee for which proper notice has been given, the meeting shall be adjourned for at least 5 (five) business days and the Party which called the meeting shall give new notices to the Members of the time and place of the subsequent meeting. At any such subsequent meeting no quorum limit shall apply notwithstanding the provisions of sub-clause 5.13 and any Member or Members or their alternates present at such subsequent meeting shall constitute a quorum.
- 5.17 No remuneration shall be paid to the Members or their alternates for attendance at meetings of the Management Committee. Reasonable travel and accommodation expenses for Members (or their alternates) attending

meetings of the Management Committee shall be charged to and paid by the Parties themselves.

6. DUTIES OF THE PARTIES

The specific duties to the Consortium of the Parties are:

6.1 Novus:

- 6.1.1 the printing and production of the Deliverables in accordance with the terms and conditions of the Contract;
- 6.1.2 delivery of the Deliverables to the Distribution Centre; and
- 6.1.3 the accounting and payment to Lebone Litho of the amounts due and payable in terms of this Agreement and any Schedule thereto, as and when these amounts become due and payable.

6.2 Lebone Litho:

- 6.2.1 the preparation and the submission of any bid from time to time for the Contract on behalf of the Consortium, in consultation with Novus and UTi, to the Department of Basic Education; as well as being the lead organisation for any tender from time to time preceding the Contract and be responsible for the information Technology/Data Management/Call Centre/Project Management /Enterprise Management System in respect of the Contract, submit reports as per the TOR and submit invoices on behalf of the Consortium to the DBE as set out in clause 4.4 above;
- 6.2.2 assisting Novus to collect the invoices due and payable in respect of the Printing Work;
- 6.2.3 shall timeously procure sign off by DBE of print orders detailing the precise description of the matter to be printed and the specifications thereof as well as distribution data per grade, per title, per school, as per timing schedules furnished from time to time by Novus and/or its Associates;
- 6.2.4 shall use its best endeavours to annually secure the appropriate Price Increase (hereinafter referred to as "PI") determined in consultation

between the Parties and to be approved by the Accounting Officer of the Department of Basic Education; and

6.2.5 shall pay UTi the amounts invoiced by UTi for warehousing and distribution services timeously, whether or not Lebone Litho has been paid by the DBE or not.

6.3 UTi:

6.3.1 shall attend to the receipt, warehousing, picking and packing of the Deliverables in accordance with the TOR; and

6.3.2 shall arrange the logistics in respect of the distribution and delivery of the Deliverables from the Distribution Centre to the destinations indicated by the Department of Basic Education and in accordance with the TOR.

7. **BANK ACCOUNT**

The Parties agree that all payments received from the Department of Basic Education in respect of the Contract shall be deposited into the respective bank accounts of Novus and Lebone Litho on the basis set out in clauses 4.3 and 4.4 respectively, subject to Lebone Litho remaining responsible to pay UTi directly for services rendered by UTi, whether the DBE have paid Lebone Litho for such services or not..

8. **WARRANTIES AND INDEMNIFICATION**

8.1 The Parties warrant that they are duly incorporated companies having all necessary powers and authorisations to enter into this Agreement and to perform their obligations in terms of this Agreement and to enter any other agreements which may be required in connection with this Agreement.

8.2 Novus warrants that it will print and produce and invoice the Deliverables to the Department of Basic Education in accordance with the terms and conditions and within the timeframes contained in the Contract, subject to print ready artwork timeously provided by the Department of Basic Education and the provisions of clause 6.2.3 above.

8.3 UTi warrants that it will receive, warehouse, pick and pack, deliver and distribute the Deliverables to the various the destinations indicated by the

Department of Basic Education in accordance with the terms and conditions and within the timeframes contained in the Contract, subject to UTi having timeously received full details regarding quantities, contact persons and delivery schedules in respect of the Deliverables to be delivered to various destinations as designated by DBE.

- 8.4 Lebone Litho warrants that it will properly account for the distribution revenue and related costs in respect of the Deliverables and accordingly invoice the Department of Education in accordance with the terms and conditions and within the timeframes contained in the Contract and fulfil all its responsibilities and duties as set out in this Agreement within the required timeframes and with the necessary due diligence, skill and expertise.
- 8.5 The Parties respectively warrant in favour of each other that each of them shall perform their duties as set out in clause 6 and in accordance with the terms and conditions and within the timeframes contained in the Contract.
- 8.6 The Parties specifically exclude any liability for claims in respect of consequential damages arising from this Agreement.

9. INSURANCE

Each Party shall take out and maintain adequate insurance cover to meet its obligations under clause 8 above.

10. DISPUTE RESOLUTION

- 10.1 Should a dispute arise between the Parties out of or in connection with this Agreement, including its existence, application, breach, interpretation, validity, termination or cancellation and be unresolved within 48 (forty eight) hours after it has arisen, then the dispute shall be referred for joint resolution between the respective Chief Executive Officers of Lebone Litho and Novus and UTi;
- 10.2 Should the dispute not be resolved between the respective Chief Executive Officers of Lebone Litho and Novus and UTi within 72 (seventy two) hours after it has arisen, then either of Lebone Litho or Novus or UTi shall be entitled to require, by written notice to the other, that the dispute be submitted

to and decided by arbitration in terms of the Arbitration Act, 1965, of South Africa, subject to the following provisions:

- 10.2.1 the Tribunal shall consist of one arbitrator;
 - 10.2.2 the arbitration proceedings shall be in accordance with the formalities and/or procedures determined by the arbitrator;
 - 10.2.3 the arbitration shall be held in Johannesburg;
 - 10.2.4 the language of the arbitration shall be English;
 - 10.2.5 the arbitration shall be binding and not be appealable to any Court in any jurisdiction, unless a manifest error in law or on the facts has occurred or in case of *mala fides* of the arbitrator. Any Party may however enter such decision in any Court having competent jurisdiction;
 - 10.2.6 the Parties shall endeavour to ensure that the arbitration is completed within 30 (thirty) days after notice requiring the claim to be referred to arbitration is given;
 - 10.2.7 the decision of the arbitrator shall be in writing. The arbitrator shall give reasons for his award;
 - 10.2.8 the proceedings and decision shall be confidential to the Parties and their advisers;
 - 10.2.9 the arbitrator shall be a practicing attorney or advocate of not less than 10 (ten) years standing, who, in the absence of agreement reached between the Parties within 14 (fourteen) days of the arbitration being demanded, shall be appointed by the Chairperson or acting Chairperson of the Gauteng Law Council.
- 10.3 This arbitration clause shall not preclude a Party from seeking urgent relief in a Court of appropriate jurisdiction, where grounds for urgency exist, nor shall this arbitration clause preclude any party from claiming by way of court summons, from any other party, a liquidated amount owing to that Party..

11. **BREACH**

11.1 If a Party ("**Defaulting Party**") commits any breach of this Agreement and fails to remedy such breach within 7 (seven) business days ("**Notice Period**") of written notice from anyone of the other Parties requiring the breach to be remedied, then the other Parties to the Agreement (collectively referred to as the "**Aggrieved Party**") will be entitled, at its/their option –

11.1.1 to claim immediate specific performance of all or any of the Defaulting Party's obligations under this Agreement, with or without claiming damages, whether or not such obligation has fallen due for performance [and to require the Defaulting Party to provide security to the satisfaction of the Aggrieved Party for the Defaulting Party's obligations]; or

11.1.2 to cancel this Agreement, with or without claiming damages, in which case written notice of the cancellation shall be given to the Defaulting Party, and the cancellation shall take effect on the giving of the notice. Neither Party shall be entitled to cancel this Agreement unless the breach is a material breach. A breach will be deemed to be a material breach if -

11.1.2.1 it is capable of being remedied, but is not so remedied within the Notice Period; or

11.1.2.2 it is incapable of being remedied and payment in money will compensate for such breach but such payment is not made within the Notice Period.

11.2 The Aggrieved Party's remedies in terms of this clause 11 are without prejudice to any other remedies to which the Aggrieved Party may be entitled in law, including the right to claim any damages it may have suffered.

11.3 If the Aggrieved Party between them (if more than one) cannot in consultation with each other reach agreement about the remedy to be implemented in case of such breach within 3 (three) business days of the request of either Party, the matter shall be referred to the Management Committee for determination of the appropriate remedy but excluding the members of the Defaulting Party.

- 11.4 If either Party breaches this Agreement and fails to remedy that breach within 5 (five) days of written notice from the other Party calling for the breach to be remedied, then that Party shall be entitled, without prejudice to any other rights that it may have, whether under this Agreement or in law, to cancel this Agreement without notice or to claim immediate specific performance of all the defaulting Party's obligations, whether or not due for performance, in either event without prejudice to the aggrieved Party's right to claim damages.
- 11.5 If this Agreement is cancelled in relation to a breach by a specific Party, the remaining Parties shall use Commercially Reasonable Efforts to forthwith re-instate the Agreement in its entirety between such remaining Parties and designate responsibilities to perform the Contract, and adopts the necessary resolutions in this regard. ("**Commercially Reasonable Efforts**" for purposes hereof means taking such steps and performing in such a manner as a well managed entity would undertake where such entity was acting in a determined, prudent, and reasonable manner to achieve the particular result for the benefit of the Consortium excluding the Defaulting Party provided always that such steps are within the reasonable control of the Party).
- 11.6 All legal costs as between attorney and its own client, charges and disbursements and fees of a like nature including VAT, incurred by any Party in successfully enforcing or defending any of the provisions of this Agreement, or any claim hereunder, shall be for the account of the Party against which the relevant provisions are successfully enforced and shall be payable on demand.
- 11.7 Should one of the Parties be placed in liquidation, whether provisionally or finally, or under business rescue proceedings or propose any compromise with its creditors, the other Party shall be entitled to proceed as if the Party has breached this Agreement.
- 11.8 The Parties agree that the cancellation of this Agreement, in relation to a breach by a specific Party, shall not affect the validity or continuance of any other agreement already entered into between any of the members of the Consortium.

12. COSTS

Save as otherwise expressly stated, each Party is responsible for its own costs incurred in the negotiation, drafting, settlement and implementation of this Agreement.

13. CESSION AND ASSIGNMENT

13.1 Neither Party may cede or assign its rights or obligations in terms of the provisions of this Agreement to any third party without the prior written consent of the other Parties first being obtained.

13.2 If a cession or assignment is permitted on the basis set out above in clause 13.1, such cession or assignment shall be subject thereto that the terms and conditions of this Agreement shall be binding on the estates, heirs, executors, administrators, trustees or permitted assigns of a Party as fully and effectually as if they had been a party to the Agreement in the first instance.

14. CONFIDENTIALITY

14.1 Each Party acknowledges that the Confidential Information of the others is a valuable, special and unique asset proprietary to the others

14.2 The Parties agree that they will not, during the course of their association with each other or thereafter, disclose the Confidential Information to any third party for any reason or purpose whatsoever without the prior written consent of the owner of the Confidential Information, save in accordance with the provisions of this Agreement.

14.3 Each Party agrees:

14.3.1 not to use, employ, or exploit in any other manner the Confidential Information disclosed pursuant to the provisions of this Agreement for any purpose without the prior express written consent of the owner of the Confidential Information;

14.3.2 that the unauthorised disclosure of the Confidential Information to a third party or the unauthorised use of the Confidential Information may cause irreparable loss, harm and damage to the owner thereof. The Parties specifically exclude any claims in respect of consequential or

indirect damages arising from agreement breach of this clause 14. Each Party acknowledges that the others shall, notwithstanding the provisions of clause 10 above, be entitled to apply to Court for an interdict or other appropriate relief against it, should any Party have any reasonable basis to believe that the other Party/ies is/are or may be in breach of this Agreement thus endangering the proprietary interests of the owner of the Confidential Information.

14.4 All Confidential Information disclosed by either Party to the others is acknowledged by the Parties:

14.4.1 to be proprietary to the Party concerned; and

14.4.2 not to confer any rights of whatever nature in such Confidential Information to the others.

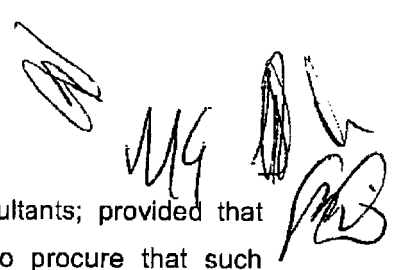
14.5 The Parties agree that they shall protect the Confidential Information disclosed pursuant to the provisions of this Agreement using the same standard of care that they apply to their own proprietary, secret or Confidential Information and that the Confidential Information shall be stored and handled in such a way as to prevent any unauthorised disclosure thereof.

14.6 Either of the Parties may, at any time, request the others to return any material containing, pertaining to or relating to Confidential Information disclosed pursuant to the terms of this Agreement and may, in addition request the others to furnish a written statement to the effect that, upon such return, it has not retained in its possession, or under its control, either directly or indirectly, any such material.

14.7 As an alternative to the return of the material contemplated in clause 14.6 above, each Party shall, at the request of the others, destroy such material and furnish the others with a written statement to the effect that all such material has been destroyed.

14.8 The Parties shall comply with a request, in terms of clause 14.6 above or clause 14.7 above, within 7 (seven) days of receipt of such a request.

14.9 Notwithstanding anything to the contrary contained in this Agreement the Parties agree that the Confidential Information may be disclosed by each of



them to their professional advisers, agents and consultants; provided that each of them take whatever steps are necessary to procure that such professional advisers, agents and consultants agree to abide by the terms of this Agreement to prevent the unauthorised disclosure of the Confidential Information to third parties.

14.10 These provisions do not apply to information which is:

14.10.1 publicly known or becomes publicly known through no unauthorised act of the recipient Party;

14.10.2 rightfully received by the recipient Party from a third party;

14.10.3 independently developed by the recipient Party without use of the other Parties information;

14.10.4 disclosed by the other Parties to a third party without similar restrictions;

14.10.5 required to be disclosed pursuant to a requirement of a governmental agency or any applicable law, so long as the Party required to disclose the information gives the other Parties prior notice of such disclosure; or

14.10.6 publicly disclosed with the other Party's written consent.

14.11 All media releases, public announcements and public disclosures by any Party or their respective employees or agents relating to this Agreement or its subject matter, including without limitation promotional marketing material, shall be co-ordinated with and approved by each Party prior to the release thereof. The foregoing will not apply to any announcement intended solely for internal distribution by any Party or to any disclosure required by legal, accounting or regulatory requirements beyond the reasonable control of the Party in question.

15. **EXCLUSIVITY, NON-COMPETITION AND NON-CIRCUMVENTION**

15.1 Each of the Parties undertake in favour of the other Parties that:

15.1.1 they will not be directly or indirectly engaged, concerned or interested whether for their own account or as a member, shareholder, director,

consultant, agent, beneficiary, trustee or otherwise in any enterprise, corporation, firm, trust, joint venture or syndicate which is engaged, interested or concerned in bidding for the Contract in competition to the Consortium;

15.1.2 they will not for the duration of this Agreement, offer their services, as contemplated in this Agreement, to any party, other than the members of the Consortium; and

15.1.3 they will not approach the Department of Basic Education or engage in any activity related to the Contract other than that as a party to the Consortium.

15.2 Each of the Parties undertakes that they shall ensure that their Affiliates comply with the provisions of this clause 15.

15.3 Each of the Parties agrees not to use any of the Confidential Information in connection with this Agreement:

15.3.1 directly or indirectly, (and whether by itself or through any of its Representatives or Affiliates or any other entity or trust in which it holds a direct or indirect interest), for any other purpose than in the execution of the services provided to the Consortium in respect of the Contract; and

15.3.2 to solicit, contact, deal with, transact, or otherwise be involved with any corporation, company, partnership, proprietorships, trust, individuals, or other entities, with regards to the execution of the Contract, other than the members of the Consortium, without the prior specific written permission of the Consortium.

15.4 The Parties undertake in favour of each other that they shall notify each other immediately if any one of the Parties receives any correspondence from or is requested in any manner by any third party to provide any service related to the Contract to such third party. The Party so contacted shall cease any correspondence or contact contemplated as afore-mentioned, unless consented to in writing by the Management Committee.

15.5 The Parties agree not to disclose or otherwise reveal to any third party the identities, addresses, telephone, cell phone and facsimile numbers, e-mail addresses, (collectively referred to as "the Contact Details") of each other or of any entity introduced by any of the Parties to the others, pertaining to the Business without the specific prior written permission of the other Parties to the Party wanting to disclose the Contact Details.

15.6 In the event of circumvention or breach of this clause 15 by either Party, directly or indirectly, the Parties specifically agree to exclude any consequential or indirect damages suffered from any claim by reason of the aforesaid breach.

16. IMPLEMENTATION AND GOOD FAITH

16.1 The Parties undertake to do all such things, perform all such acts and take all steps to procure the doing of all such things and the performance of all such acts, as may be necessary or incidental to give or conducive to the giving of effect to the terms, conditions and import of this Agreement.

16.2 The Parties shall at all times during the continuance of this Agreement observe the principles of good faith towards one another in the performance of their obligations in terms of this Agreement. This implies, without limiting the generality of the foregoing, that they:

16.2.1 will at all times during the term of this Agreement act with commercial intent, reasonably, honestly, in good faith and in the best interests of the Consortium as a going concern; and

16.2.2 will perform their obligations arising from this Agreement diligently and with reasonable care;

16.2.3 make full disclosure to each other of any matter that may affect the execution of this Agreement.

16.3 Without derogating from the generality of this clause 16 above, each Party shall be obliged beforehand to fully disclose in writing to the other Party any interest of whatever nature, directly or indirectly, in any third party, not being an Affiliate known to the other Party, to which any work or function is about to be outsourced in relation to the Contract. The disclosing Party shall be obliged

to make a complete and correct disclosure of such interest, and the disclosing Party or the Members of the Management Committee representing the disclosing Party (as the case may be) shall be excused from any meeting during the discussion whether to contract with the above-mentioned third party. Any amounts received by anyone of the Parties from such a third party in relation to any work outsourced as contemplated above without the knowledge of the other Party, shall be forfeited and payable on demand to the other Party, without prejudice to the other Party's rights and remedies in terms of clause 11 above.

17. RELATIONSHIP OF THE PARTIES

Save as expressly stated to the contrary in this Agreement-

- 17.1 the Parties shall retain and be entitled to exercise all their proprietary rights arising from their participation in the Consortium and in particular, without limiting the generality of the aforesaid, each Party shall be entitled to deal with its participatory rights in accordance with the terms and conditions of this Agreement;
- 17.2 a Party shall not be entitled and is not in terms of this Agreement authorised to act as the agent of the other and the Parties agree and undertake in favour of each other not to hold themselves out or to represent to others any relationship of agency or partnership whatsoever;
- 17.3 it is the understanding and agreed that the Consortium must have at all times a bona fide and reasonably representative and substantial black empowerment base (as referred to, and intended in terms of, the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 as amended), which will add value to the Business and also in respect of other printing, pick & pack and distribution work through the procurement of new business opportunities, thereby endeavouring to contribute to the objective of participation in future growth for the Parties' mutual benefit.

18. BUSINESS ETHICS

- 18.1 The Parties warrant and undertake in favour of each other that:

18.1.1 they will at all times, and will procure that its Affiliates will at all times, comply in full with all applicable anti-bribery and corruption laws (“**Anti-Bribery Legislation**”).

18.1.2 neither it nor any of their Affiliates,:

18.1.2.1 will directly or indirectly, make, offer, promise or authorise any payment, gift, inducement or other advantage to any person including (without limitation) any governmental or regulatory entity or official in any territory (“**Third Party**”) for the purpose of improperly obtaining, retaining or directing business or to secure or obtain any improper business advantage for purposes of the Contract; or

18.1.2.2. shall directly or indirectly, request, receive, accept or authorise any payment, gift, inducement or other benefit from any Third Party for the purpose of improperly obtaining, retaining or directing the business or to secure or obtain any improper business advantage as regards the Contract;

18.1.2.3 shall be associated with any government official, political candidate or official agency associated with anyone of the Parties or who has any legal or beneficial interest in this Agreement. The term ‘associated’ shall mean being under common ownership to any extent or having a joint interest in any entity involved in the Agreement;

18.1.2.4 as at the date of signature of this Agreement, is aware of any outstanding investigations involving the Party itself or any of its Affiliates under any Anti-Bribery Legislation and none of the foregoing parties have been convicted or suspected of any offence under any such Anti-Bribery Legislation; and

18.1.3 it will at all times monitor its compliance with the Anti-Bribery Legislation, and the warranties and undertakings set out in this clause 18.1. Furthermore, each Party will promptly report to the other Party

any suspicion which a Party has that there has been, or is likely in future to be, any breach of any Anti-Bribery Legislation, or any of the warranties and undertakings in this clause 18.1.

18.2 The Parties will at all times indemnify, which indemnity is limited to the maximum value of the Contract, and effectively keep indemnified, each other ("**the Innocent Party**") on demand from and against any and all liabilities, losses, damages, charges, costs (including legal and other professional expenses) and expenses of any nature incurred by the Innocent Party directly or indirectly as a result of or in connection with any investigation and successful prosecution of any claim or allegation that the other Party (or any of its Affiliates) has breached any Anti-Bribery Legislation and/or has done, or is alleged to have done, anything that would cause the Innocent Party to have breached any such Legislation or which could constitute a breach of any of the warranties or undertakings in clause 18.1 above. Nothing in this clause 18.2 will require a Party to indemnify the other Party for any liability indemnification for which would be contrary to public policy.

19. **GOVERNING LAW**

The law governing this Agreement, including without limitation its interpretation and all disputes arising out of this Agreement, is the law of South Africa, and the Parties submit to the exclusive jurisdiction of the South African Courts in respect of any matter arising from or in connection with this Agreement, including its termination. The Parties further consent to the jurisdiction of the South Gauteng High Court (Johannesburg).

20. **NOTICES AND LEGAL PROCESS**

20.1 Each Party chooses this address for all purposes under this Agreement ("**Chosen Address**"), whether for serving any court process or documents, giving any notice, or making any other communications of whatsoever nature and for whatsoever purpose under this Agreement:

Lebone Litho -

16 Webber Street

Selby

Johannesburg

For Attention: _____

E-mail: _____

FAX : _____

Novus -

10 Freedom Way

Milnerton

For Attention: Mike Ehret

e-mail: mike.ehret@novus.holdings

FAX : _____

UTi -

Cnr Brakfontein & Olievenhoutbosch Roads

Centurion

For Attention: Greg Saffy

e-mail: gsaffy@go2uti.com

FAX : _____

- 20.2 Any notice required or permitted under this Agreement shall be valid and effective only if in writing.
- 20.3 Any Party may by notice to the other parties change its Chosen Address to another physical address in the Republic of South Africa and that change shall take effect on the seventh day after the date of receipt by the Party who last receives the notice.

- 20.4 Unless the contrary is proved, any notice delivered by hand to the Chosen Address of a Party before 17h00, shall be deemed to have been received on the date of delivery, otherwise on the next business day.
- 20.5 Unless the contrary is proved, any notice sent by telefax to the Chosen Address of a Party, shall be deemed to have been received on the on the first business day after the day of transmission.
- 20.6 Unless the contrary is proved, any notice sent by courier .to the Chosen Address of a Party, shall be deemed to have been received on the date of delivery by the courier service concerned, provided such day is a business day, otherwise on the next business day.
- 20.7 It I agreed that notices may be send by e-mail, but no deemed receipt thereof shall arise and proof of actual receipt as set out in clause 20.8 shall be necessary in case of such delivery to the Chosen Address.
- 20.8 Notwithstanding anything to the contrary in this Agreement, a written notice actually received by a Party, shall be an adequate notice to it notwithstanding that it was not sent or delivered to its Chosen Address.

21. INTERPRETATION

- 21.1 Clause and paragraph headings are for purposes of reference only and shall not be used in interpretation.
- 21.2 Unless the context clearly indicates a contrary intention, any word connoting:
 - 21.2.1 any gender includes the other two genders;
 - 21.2.2 the singular includes the plural and vice versa;
 - 21.2.3 natural persons includes juristic and artificial persons and vice versa;
 - 21.2.4 insolvency includes provisional or final sequestration, liquidation or judicial management.
- 21.3 A reference to a business day is a reference to any calendar day excluding Saturday, Sunday and a public holiday in the Republic of South Africa.
- 21.4 When any number of days is prescribed such number shall mean calendar days, unless business days are expressly referred to, and shall exclude the

first and include the last day unless the last day falls on a Saturday, Sunday, or a public holiday in the Republic of South Africa, in which case the last day shall be the next succeeding business day.

- 21.5 A reference to an enactment is a reference to that enactment as at the date of signature of this Agreement (being the date of the last signature to this Agreement) and as amended or re-enacted from time to time.
- 21.6 The rule of interpretation that a written agreement shall be interpreted against the Party responsible for the drafting or preparation of that agreement shall not apply.
- 21.7 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 the Agreement.
- 21.8 The *eiusdem generis* rule shall not apply and accordingly, whenever a provision is followed by the word "including" and specific examples, such examples shall not be construed so as to limit the ambit of the provision concerned.
- 21.9 Where any term is defined within the context of any particular clause in this Agreement, then, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, the term so defined shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in the definition clause.
- 21.10 Wherever the term "in writing" is used in the Agreement, it means legible writing in English and, save in respect of the method of delivery of formal notices (which may not be scanned and delivered by email), includes such online or electronic communication as is deemed to be acceptable by the Management Committee.
- 21.11 Any conflict between the provisions of this Agreement and any Annexures thereto (including a Schedule) will be resolved in accordance with the following order of precedence (in descending order of priority): (a) this Agreement; and (b) the afore-mentioned Annexure; and (c) the afore-mentioned Schedule. Any such Annexure or Schedule may amend the terms

and conditions of this Agreement only with respect to the subject matter of such Annexure or Schedule, provided and insofar as any such Annexure or Schedule specifically amends the provisions of this Agreement and/or any afore-mentioned Annexure or Schedule, such amendment will prevail in respect of that Annexure or Schedule only (as the case may be). For the avoidance of doubt it is recorded that, unless specifically stipulated, the terms of one Annexure or Schedule will not apply to any other Annexure or Schedule, to the extent they are in conflict.

22. GENERAL AND MISCELLANEOUS

22.1 SOLE RECORD OF AGREEMENT

This Agreement constitutes the sole record of the agreement between the Parties with regard to the subject matter hereof. No Party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, other than the fact that the terms and conditions of the previous agreements, annexed hereto, concluded between any of the Consortium members, remain applicable, fully effective and binding between the Parties to such agreements. For avoidance of doubt, any previous agreement(s) entered into between any members of the Consortium, will only be binding on the parties to such agreement(s) and will not be binding on any party of the Consortium, which was not a signatory to the previous agreement(s). In the event of a conflict between the previous agreement(s) and this Agreement, the previous agreement(s) will take precedence over the terms and conditions of this Agreement.

22.2 NO AMENDMENTS EXCEPT IN WRITING

No addition to, variation or agreed cancellation of, or waiver of any right under this Agreement shall be of any force or effect unless in writing and signed by or on behalf of the Parties. It is recorded and acknowledged that whilst the Parties may correspond via electronic communication for operational reasons and formal notices required in terms of this Agreement or any Schedule, that may be send via electronic communication as contemplated as well in the definition of "in writing", no amendment of, or variation to, or cancellation of,

this Agreement or any Schedule may be given or concluded via electronic communication.

22.3 WAIVERS

No relaxation or indulgence which any Party may grant to any other shall constitute a waiver of the rights of that Party and shall not preclude that Party from exercising any rights which may have arisen in the past or which might arise in future.

22.4 SURVIVAL OF OBLIGATIONS

Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement shall survive any termination or expiration of this Agreement and continue in full force and effect.

22.5 COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which will constitute an original and all of which, when duly signed and when taken together, will constitute a binding agreement.

22.6 APPROVALS AND CONSENTS

An approval or consent given by a Party under this Agreement shall only be valid if in writing and shall not relieve the other Party from responsibility for complying with the requirements of this Agreement nor shall it be construed as a waiver of any rights under this Agreement except as and to the extent otherwise expressly provided in such approval or consent, or elsewhere in this Agreement.

Handwritten initials and signatures at the top right of the page.

THUS DONE AND SIGNED ON THE DATES AND AT THE PLACES INDICATED
HEREUNDER IN THE PRESENCE OF THE UNDERSIGNED WITNESSES.

AS WITNESSES

1. *[Signature]*
2. *[Signature]*

[Signature]
for: **LEBONE LITHO PRINTERS (PTY) LTD**
NAME: *Kurt Michael*
(duly authorised)
DATE: 20 Nov 2015
PLACE: JHB

AS WITNESSES

1. *[Signature]*
2. *[Signature]*

[Signature]
for: **NOVUS HOLDINGS LTD**
NAME: Mike Ehret
(duly authorised)
DATE: 20 November 2015
PLACE: Johannesburg

AS WITNESSES

1. *[Signature]*
2. *[Signature]*

[Signature] *[Signature]*
for: **UTI SA (PTY) LTD**
NAME: *[Signature]* GERHARD MÜLLER
(duly authorised)
DATE: 20/11/2015
PLACE: Johannesburg