

## A. DEFINITIONS

1. In this agreement the following words shall have the following meaning:
  - 1.1. **"Advance"** means an amount of money paid by the Service Provider directly to the supplier of goods that the buyer who has issued the government or parastatal purchase order requires;
  - 1.2. **"Agreement"** means this Financing Agreement, together with any Annexes attached to it;
  - 1.3. **"Business Day"** means any day that is not a Saturday, Sunday, or South African Public Holiday;
  - 1.4. **"Buyer"** means the government department / parastatal that issued the purchase order;
  - 1.5. **"Ceded Claims"** means book debts, accounts receivable, invoices, bills, acceptances, and/or any other form of obligations of whatsoever nature payable to the Vendor from time to time, including but not limited to such obligations which arise from Contracts entered into between the Vendor and its Clients, after the Signature Day;
  - 1.6. **"Ceded Rights"** means:
    - 1.6.1. all the rights, titles and interests of the Vendor (whether existing at the Signature Date or arising in future) in and to the Ceded Claims and any other rights which the Vendor may have against the Clients or sureties in terms of any security agreements of whatever nature entered into between the Vendor and the Clients and/or sureties from time to time;
    - 1.6.2. all the rights, titles and interests of the Vendor in and to any debts and claims of whatsoever nature due or to become due to the Vendor from whatever cause and all rights of action, benefits, income and powers accruing to the Vendor, howsoever arising and from whatever cause;
  - 1.7. **"Cessionary"** means the party to whom the rights have been transferred;
  - 1.8. **"Clients"** means the clients of the Vendor from time to time, including but not limited to government departments and parastatals and "Client" shall mean any one of them;
  - 1.9. **"Contracts"** means agreements concluded and/or to be concluded between the Vendor and its Clients pursuant to which the Vendor sells and/or supplies goods to its Clients and "Contract" shall have a corresponding meaning;
  - 1.10. **"Parties"** means the Vendor and the Service Provider and "Party" means anyone of them as the context requires;
  - 1.11. **"Secured Obligations"** means the due payment of all amounts which may now be or in future become owing by the Vendor to the Service Provider from time to time, including but not limited to those obligations arising from Section C of this Agreement;
  - 1.12. **"Guarantor"** means the party/person who will settle the debt upon failure by the Vendor to settle the amount owed to the Service provider;
  - 1.13. **"Guaranteed Amount"** means the payments made by the Guarantor to the Service Provider of any amounts owing by the Vendor to the Service Provider in terms of Section C of this Agreement;
  - 1.14. **"Outstanding amount"** means the amount not yet paid by any party to this Agreement;
  - 1.15. **"Penalty fee"** means the fee incurred as a result of a default or delay in payment which will be **10%** on delay and **20%** on default on the outstanding amount;
  - 1.16. **"Security Cession"** means the cession *in securitatem debiti* of the Ceded Rights as set out in Section 3 of this Agreement;
  - 1.17. **"Signature Date"** means the date on which this Agreement is signed by the Party signing last;
  - 1.18. **"Supplier"** means the service provider that the Service Provider would purchase the items required in the purchase order from;
  - 1.19. **"Term"** means the period beginning on the date of this Agreement and ending when the payment is made; and
  - 1.20. **"VAT"** means Value Added Tax determined by the government of the republic of South Africa currently at 15%.

