

SALES AGREEMENT

BETWEEN

**ARLAN COMMUNICATIONS (PTY) LTD T/A MTN BALLITO, KWAZULU-NATAL,
SOUTH AFRICA (2020/647479/07)**

a private company duly incorporated in accordance with the laws of

South Africa, with its registered business address at:

39A LANGFORD DRIVE

DAWNCLIFFE, WESTVILLE

KWAZULU-NATAL

3629

("Seller")

AND

CIRCLE TEL SA (PTY) LTD (2008/026404/07)

a company duly incorporated in accordance with the laws of

South Africa, with its principal place of business at:

DEVCON PARK WEST HOUSE

7 AUTUMN ROAD

RIVONIA

GAUTENG

2128

("Buyer")

EXECUTION VERSION

Date: 29 September 2025



JDW
MP
LG
[Signature]

WHEREAS:

A. The Seller is an authorised distributor of MTN telecommunications products and services in the Ballito region, KwaZulu-Natal.

B. The Buyer wishes to purchase telecommunications products and services for resale to end customers in South Africa.

C. The parties wish to establish a mutually beneficial commercial relationship on the terms set out in this Agreement.

NOW THEREFORE the parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context indicates otherwise:

- **“Agreement”** means this sales agreement including all addenda and schedules;
- **“Business Day”** means any day other than a Saturday, Sunday or official public holiday in South Africa;
- **“Commencement Date”** means the date of signature by the last signing party;
- **“Commission”** means the fees payable to the Buyer as set out in Addendum A;
- **“Confidential Information”** means all information disclosed by one party to the other which is marked confidential or ought reasonably to be considered confidential;
- **“Customer”** means any end-user who purchases Products or Services through the Buyer;
- **“Goods”** means the telecommunications hardware, software and equipment supplied under this Agreement;
- **“Initial Term”** means 3 (three) months from the Commencement Date;
- **“MTN”** means Mobile Telephone Networks (Proprietary) Limited;
- **“Products”** means collectively the Goods and Services;



- **“Services”** means the telecommunications services, contracts and related offerings;
- **“Territory”** means the Republic of South Africa.

1.2 Interpretation

1.2.1 Words importing the singular include the plural and vice versa.

1.2.2 Words importing one gender include the other genders.

1.2.3 References to persons include juristic persons.

1.2.4 The headings are for convenience only and shall not affect interpretation.

2. APPOINTMENT AND SCOPE

2.1 Appointment

The Seller appoints the Buyer as a non-exclusive reseller of Products in the Territory, and the Buyer accepts such appointment on the terms of this Agreement.

2.2 Products and Services

The Seller agrees to supply, and the Buyer agrees to purchase:

a) Telecommunications hardware including but not limited to:

- Routers, switches and modems
- SIM cards and mobile devices

b) Telecommunications services including:

- Mobile voice and data contracts
- Fixed wireless broadband services
- Value-added services

c) Related software, firmware and accessories.

2.3 Authority

The Seller warrants that it has full authority from MTN to enter into this Agreement and supply the Products.



[Handwritten initials]
LQ
MD
JDW

3. COMMERCIAL TERMS

3.1 Pricing

Pricing shall be as per MTN's prevailing wholesale rates, subject to the commission structure in Addendum A.

3.2 Markup Rights

The Buyer shall be entitled to add its own markup when reselling Products to Customers, provided such markup is commercially reasonable and competitive.

3.3 Minimum Commitments

No minimum purchase commitments apply during the first 3 months. Thereafter, minimum commitments may be agreed in writing.

4. ORDERING AND DELIVERY

4.1 Orders

The Buyer shall submit orders in writing or electronically (including email) specifying quantities, Products and delivery requirements.

4.2 Order Confirmation

The Seller shall confirm orders within 1 (one) Business Day of receipt.

4.3 Delivery

4.3.1 Delivery shall be within the following timeframes:

- SIM cards: 2-3 Business Days
- Hardware: 5-7 Business Days
- Service activation: 24-48 hours from completed documentation

4.3.2 Delivery shall be to the Buyer's designated address in South Africa as requested in writing.

4.3.3 Risk of Transportation: The Seller, shall bear all risk of transportation until delivery is completed to the Buyer's designated location. Risk of loss or damage during transit remains with the Seller.



JDW

MP

LG

h

4.3.4 Transfer of Risk and Ownership: Risk passes to the Buyer only upon delivery and acceptance at the designated location.

4.4 Delivery Costs

Delivery costs for orders above R5,000 (Five Thousand Rand) shall be for the Seller's account. Below this threshold, actual courier costs apply.

5. ACCEPTANCE AND WARRANTIES

5.1 Inspection Period

The Buyer shall have 30 (thirty) days from delivery to inspect Goods and notify the Seller of any defects or non-conformance.

5.2 Customer Claims

Where the Buyer has resold Goods to Customers, the Buyer may pass through defect claims received from Customers within 45 (forty-five) days of original delivery.

5.3 Warranties

5.3.1 The Seller warrants that all Goods:

- Conform to specifications
- Are free from material defects
- Are new unless otherwise agreed
- Carry manufacturer warranties

5.3.2 Warranty periods:

- Hardware: Manufacturer's warranty (minimum 12 months)
- Software: Per license terms
- Services: Duration of service contract

6. PAYMENT TERMS

6.1 Invoicing

The Seller shall invoice the Buyer upon delivery of Goods or activation of Services. This will be an invoice generated by MTN.



6.2 Payment Terms

Payment is due within 30 (thirty) days from invoice date, unless otherwise agreed in writing.

6.3 Commission Payments

Commissions per Addendum A shall be paid by the 25th (twenty-fifth) day of each month. Commission payments from MTN are done by 23rd of every month. Payment to Seller will be made within 24 hours.

6.4 Disputes

Payment disputes must be raised within 7 (seven) days of invoice. Undisputed amounts remain payable.

7. CUSTOMER RELATIONSHIPS

7.1 Customer Ownership

All Customers introduced by the Buyer shall remain the Buyer's Customers for the duration of this Agreement and thereafter.

7.2 Direct Relationships

The Buyer maintains direct contractual relationships with its Customers. The Seller shall not interfere with such relationships.

7.3 Customer Data

All Customer data and information belongs exclusively to the Buyer.

8. NON-CIRCUMVENTION

8.1 Non-Circumvention Undertaking

During the term of this Agreement and for 24 (twenty-four) months thereafter, the Seller shall not:

- a) Contact, solicit or transact directly with any Customer introduced by the Buyer;
- b) Bypass the Buyer to deal directly with such Customers;
- c) Disclose the Buyer's Customer information to third parties;
- d) Attempt to divert business from the Buyer.



JDW
LG
MP

8.2 Non-Solicitation

Neither party shall solicit or employ the other party's employees during the term and for 12 months thereafter without written consent.

8.3 Remedies

Breach of this clause entitles the aggrieved party to seek immediate interdict and claim damages, including lost profits.

9. CONFIDENTIALITY

9.1 Confidential Information

Each party shall maintain the confidentiality of the other party's Confidential Information and not disclose it to third parties without written consent.

9.2 Exceptions

Confidentiality obligations do not apply to information that: - Is publicly available - Was lawfully known prior to disclosure - Must be disclosed by law

9.3 Duration

Confidentiality obligations survive termination for 5 (five) years.

10. TERM AND TERMINATION

10.1 Initial Term

This Agreement commences on the Commencement Date for an Initial Term of 3 months (three) months or as agreed in writing between the parties

10.2 Renewal

The Agreement shall renew in writing as agreed by the parties.

10.3 Termination for Breach

Either party may terminate for material breach if: - Written notice is provided specifying the breach - The breach is not remedied within 14 days (7 days for non-payment)



JDW

MR

LG

h

10.4 Material Breach

Material breach includes: - Non-payment of undisputed amounts - Breach of confidentiality or non-circumvention - Insolvency or business rescue - Persistent service failures

10.5 Effects of Termination

Upon termination: - Outstanding amounts become immediately due - Existing Customer commissions continue per Addendum A - Confidentiality and non-circumvention survive

11. DISPUTE RESOLUTION

11.1 Good Faith Negotiations

The parties shall first attempt to resolve disputes through good faith negotiations between senior management.

11.2 Arbitration

If not resolved within 30 days, disputes shall be submitted to arbitration under AFSA rules in Johannesburg.

11.3 Urgent Relief

Nothing prevents a party from seeking urgent interdictory relief from a competent court.

12. GENERAL PROVISIONS

12.1 Entire Agreement

This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings.

12.2 Amendments

No amendment or variation shall be valid unless in writing and signed by both parties.

12.3 Governing Law

This Agreement is governed by the laws of South Africa.



12.4 Domicilium

The parties choose the following addresses for notices:

SELLER:

Physical: 39A Langford Drive, Dawncliffe, Westville, KwaZulu-Natal

Email: lance.george@mtn.com

Attention: Managing Director

BUYER:

Physical: Devcon Park West House, 7 Autumn Road, Rivonia, 2128

Email: legal@circletel.co.za

Attention: Managing Director

12.5 Force Majeure

Neither party shall be liable for failures due to circumstances beyond reasonable control, including but not limited to acts of God, natural disasters, war, pandemic, or government action.



JDW

MP

LQ


h

SIGNATURE PAGE

SIGNED at _____ on this _____ day of _____ 2025

FOR THE SELLER:

**ARLAN COMMUNICATIONS (PTY) LTD T/A MTN BALLITON, KWAZULU-NATAL,
SOUTH AFRICA**

 _____

Authorised Signatory

Name: _____

Designation: _____

Who warrants authority to sign

WITNESSES:

 _____

Name: _____



FOR THE BUYER:

SIGNED at _____ on this _____ day of _____ 2025

CIRCLE TEL SA (PTY) LTD



Authorised Signatory

Name: _____

Designation: _____

Who warrants authority to sign

WITNESSES:



Name:



ADDENDUM A - COMMISSION STRUCTURE

1. COMMISSION FRAMEWORK

1.1 Base Commission

Circle Tel shall receive 30% (thirty percent) of all commissions received by Arlan Communications from MTN on sales generated through this Agreement.

1.2 Commission Basis

Commissions are calculated on net subscription fees, excluding:

- Handset fees
- Itemized billing
- Once-off charges
- VAT

1.3 Commission Protection

- Current commission rates are guaranteed for the Initial Term
- Any changes to commission structures require 90 days' written notice and mutual agreement
- If MTN reduces commissions, the parties shall negotiate in good faith to maintain commercial viability

2. MTN COMMISSION STRUCTURE

As per MTN's current commission structure (September 2025):

| Monthly Subscription | MTN Commission Rate | Term | Circle Tel Share (30%) |
|----------------------|---------------------|-----------|--------------------------------|
| R0 - R99.99 | 4.75% | 24 months | 1.425% of total contract value |



JDW
MP
LG
[Signature]

| | | | |
|--------------------|--------|-----------|--------------------------------|
| R100 - R199.99 | 5.75% | 24 months | 1.725% of total contract value |
| R200 - R299.99 | 7.25% | 24 months | 2.175% of total contract value |
| R300 - R499.99 | 8.75% | 24 months | 2.625% of total contract value |
| R500 - R999.99 | 9.75% | 24 months | 2.925% of total contract value |
| R1,000 - R1,999.99 | 11.75% | 24 months | 3.525% of total contract value |
| R2,000+ | 13.75% | 24 months | 4.125% of total contract value |

Example Calculation:

- Customer subscription: R500/month
- Contract terms: 24 months
- Total contract value: R12,000
- MTN commission (9.75%): R1,170
- Circle Tel share (30%): R351 (excluding VAT)

3. RENEWALS AND UPGRADES

3.1 Renewal Commissions

Circle Tel shall continue to receive 30% commission on all Customer renewals, upgrades and migrations without time limitation.

3.2 Customer Retention

Customers remain attributed to Circle Tel for commission purposes regardless of renewal cycles.

4. PAYMENT AND REPORTING

4.1 Payment Terms

- Commissions calculated monthly
- Payment by no later than the 25th days of the month
- Electronic payment with remittance advice



4.2 Reporting

Arlan Communications shall provide:

- Monthly sales reports by the 5th of each month
- Customer activation confirmations
- Commission reconciliation statements to be provided to Buyer by 15th of every month.

4.3 Audit Rights

Circle Tel may audit commission calculations quarterly with 7 days' notice.



JDW

LQ

MR

10

ADDENDUM B - SERVICE LEVEL AGREEMENT

1. SERVICE LEVELS

1.1 Order Processing

- Acknowledgement: Within 8 hours or 1 business day
- Processing: Within 72 hours or 3 business days

1.2 Delivery Commitments

- SIM cards: 2-3 Business Days
- Hardware: 5-7 Business Days
- Service activation: 24-48 hours

1.3 Support Availability

- Business hours: Monday-Friday, 08:00-17:00
- Emergency support: 24/7 hotline for critical issues

2. RESPONSE TIMES

| Priority | Description | Response Time | Resolution Target |
|----------|--------------------|-------------------|-------------------|
| Critical | Service down | 2 hours | 4 hours |
| High | Service impaired | 4 hours | 8 hours |
| Medium | Non-critical issue | 8 hours | 24 hours |
| Low | General query | Next business day | 3 business days |

3. ESCALATION PROCEDURES

| Level | Contact Role | Response Time |
|---------|--------------------|-------------------|
| Level 1 | Support Desk | Initial response |
| Level 2 | Account Manager | Within 2 hours |
| Level 3 | Operations Manager | Within 1 hour |
| Level 4 | Managing Director | Within 30 minutes |




 LG
 MP
 JDW

4. PERFORMANCE METRICS

- Order accuracy: >98%
- On-time delivery: >95%
- First-call resolution: >80%
- Customer satisfaction: >85%

5. REMEDIES FOR SERVICE FAILURES

5.1 Service Remedies

In the event of SLA failures, the following remedies shall apply:

- **First Occurrence:** Written notice and commitment to remedial action plan
- **Second Occurrence (within 30 days):** Priority escalation and expedited processing for affected orders
- **Persistent Failures (3+ in 30 days):** Right to source directly from MTN for affected services

5.2 Delivery Delays

For delivery delays exceeding the agreed timeframes:

- Days 1-2 late: No penalty, written explanation required
- Days 3-6 late: Waiver of delivery fees for affected order
- Beyond 7 days: Right to cancel order without penalty or source elsewhere

5.3 Mutual Resolution

Both parties commit to working together to resolve service issues constructively before applying remedies.

END OF AGREEMENT



JDW

MP

LG

h