

MEMORANDUM OF AGREEMENT ENTERED INTO BY AND BETWEEN

**TRADERS LIQUOR GROUP “TLG”
MEMBERSHIP AGREEMENT “MA”**

And

“MEMBER”

1 **DEFINITIONS**

- 1.1 In this Agreement, unless a contrary intention clearly appears, words importing:
- 1.1.1 Any one gender include the other two genders. The singular includes the plural and vice versa; and Natural persons include created entities (corporate or non-corporate) and vice versa.
- 1.2 The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings namely:
- 1.2.1 **“EFFECTIVE DATE”** shall mean the first day of the month following signature by the party who signs last
- 1.2.2 **“LIQUOR SUPPLIERS”** shall mean the liquor suppliers set out in annexure A hereto and any further liquor suppliers added, or removed from the list from time to time.
- 1.2.3 **“LIQUOR LEGENDS”** shall mean the trading name and **TRADEMARK** to be utilized by the **MEMBERS** that would associate the member’s liquor store to the **TLG**.
- 1.2.4 **“PARTIES”** shall mean the member and **TLG**
- 2.2.5 **“PREMISES”** shall mean the outlet premises situated at
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- 1.2.6 **“MA”** shall mean the membership agreement
- 1.2.7 **“OUTLET”** shall mean the members independently owned liquor store outlet.
- 1.2.8 **“TLG”** shall mean the Traders Liquor Group.
- 1.2.9 **“TRADEMARKS”** shall mean **“Liquor Legends”** and any other registered or unregistered trademarks or trade names utilized by the **TLG** in the conduct of the voluntary trading group.

2 **TERMS AND CONDITIONS OF MEMBERSHIP.**

- 2.1 This **MA** constitutes the contractual terms on which members shall be granted membership to the **TLG** and their participation and association in Liquor Legends.
- 2.2 This **MA** shall commence on the **EFFECTIVE DATE** and be binding on the **PARTIES** so long as the **MEMBER**, remains a **MEMBER** of the **TLG**.
- 2.3 As this is a voluntary association of members either **PARTY** may give the other 3 (three) months' notice of termination of this **MA**.
- 2.4 The **MA** is **PREMISES** based. The member shall not be entitled to transfer the **MA** to other **PREMISES**, the **MA** shall not be capable of been ceded or assigned to any other **PARTY**. Any change in the membership, or shareholding of any legal entity member requires the written approval of the **TLG**.
- 2.5 In the event of the member selling the **OUTLET**, the **MA** shall immediately terminate on the date of the sale, and a new owner of the **OUTLET** shall proceed to make application for membership to the **TLG**
- 2.6 The **MEMBER** shall not be allowed to hold a membership in respect of the **PREMISES** to any other brand or membership Group.
- 2.7 The applicant signing this **MA** hereby warrants that he/ she has the required authority to apply for membership to the **TLG** and is authorized to enter into this **MA**, and bind the member to the term and conditions of this **MA**.

3 **MEMBERSHIPS FEES**

- 3.1 Each **MEMBER** of the **TLG**, shall make a monthly payment in the amount of R_____ (_____) excluding VAT which shall constitute a subscription fee
- 3.2 The contributions shall be used by the **TLG** to promote and increase the membership of the group, and to undertake promotions and advertising for its members from time to time.
- 3.3 **TLG** shall be entitled to during the currency of this agreement to increase the subscriptions after giving notice to its **MEMBERS**.
- 3.4 Each **MEMBER** shall sign the attached debit order for the collection by the **TLG** of the monthly subscriptions.
- 3.5 In the event of **MEMBER** terminating his/her/its membership to the **TLG** in terms of the **MA** all monies in respect of subscription fees due until date of termination shall immediately become due and payable by the **MEMBER**.

4 **REQUIREMENTS TO BECOME A MEMBER**

- 4.1 On becoming a **MEMBER**:-
 - 4.1.1 The **MEMBER** shall purchase and erect above the entrance or at any other prominent position outside the **PREMISES** signage which is paid for by the member as part of his joining fee. The signage shall accord with **TLG** branding bearing the name "**Liquor Legends**."
- 4.2 The signage shall be purchased from the nominated supplier of the **TLG** in order to maintain the specification, and uniformity of signage amongst all of its **MEMBERS**. The required **Liquor Legends** signage must be erected within 3(three) months of the effective date.

- 4.3 The **MEMBER**, and all staff employed by the **MEMBER** on the **PREMISES** shall at all times wear branded clothing purchased from the nominated supplier of the **TLG** to associate the **PREMISES** and business to **Liquor Legends**.
- 4.4 Abide and comply with the regulations, specifications, conditions and rules laid down from time to time by the **TLG** relating to the conduct of the members business. This will be conveyed to the members by e-mail or newsletter from time and time.
- 4.5 Effect such maintenance to the **PREMISES** as may be necessary to reflect the current image format and getup of the brand

5 **PROMOTIONS AND ADVERTISING**

- 5.1 The **TLG** will use their best endeavours to negotiate the best prices for the **MEMBER'S** liquor stock requirements from various suppliers supplying most if not the whole range of the stock requirements of the **MEMBERS**. It is incumbent on the **MEMBERS** to purchase their liquor requirements from the list of suppliers with whom the **TLG** has procured the best pricing with. Nothing herein however shall prevent the **MEMBER** purchasing its liquor stock requirements, not supplied by the nominated liquor suppliers from any other suppliers from whom they wish, or from a non-nominated supplier in the event of that non nominated suppliers pricing being better.
- 5.2 The **MEMBERS** recognize that the cohesiveness of the group lies in bulk buying by the **MEMBERS** and the support of nominated supplier products, in order for the **TLG** to procure the best prices throughout the year from the nominated supplier.
- 5.3 The **MEMBER** shall at all times support and participate in promotions organized by the **TLG** for its **MEMBERS**. All promotional stock must be displayed in a prominent position on the **PREMISES** of the **MEMBERS** and sold at the promotional and advertised price arranged between the nominated supplier and **TLG**.
- 5.4 As soon as a **MEMBER** is approved and joins the **TLG**, nominated suppliers will be advised of same in order that the **MEMBER** can participate in the price structure and promotions
- 5.5 **TLG** shall from time to time arrange conferences and meetings for its **MEMBERS**. The meetings and conferences are compulsory for **MEMBERS** to attend. In the event of the **MEMBER** being unable to attend the arranged meeting or conference, the **MEMBER** must give prior notice of his/her non attendance to **TLG**.

6 **TRADEMARKS AND USER NAME "LIQUOR LEGENDS"**

- 6.1 **TLG** hereby gives and grants the **MEMBER**, on the terms herein set forth, the right to use the **TRADEMARKS** and the name **Liquor Legends** upon or in relation to:-
 - 6.1.1 The sale of liquor by the **MEMBER** from the **PREMISES**.
 - 6.1.2 The **MEMBER** shall use the **TRADEMARKS** and branding precisely as spelt or drawn by **TLG** and shall observe any direction given by **TLG** as to colours and size of the representations of the **TRADEMARKS** and branding and the manner and disposition thereof;
 - 6.1.3 The **MEMBER** shall at no time acquire ownership or rights to the **TRADEMARKS** or branding, and shall, cease to use the **TRADEMARKS** or branding on the termination of the **MA**.
 - 6.1.4 The **MEMBERS** shall not register any **TRADEMARKS** associated with the **TLG** or purchase their liquor requirements from nominated suppliers or obtain any credit, using the name

“**TRADERS LIQUOR GROUP**” or “**LIQUOR LEGENDS**” the branding is used solely for identification purposes by the nominated suppliers that the **PREMISES** is a **MEMBER** of the group.

7 CESSATION OF MEMBERSHIP

7.1 **TLG** reserves the sole right to immediately cancel membership to the group should the **MEMBER**

7.1.1 fails to pay the subscriptions or fail to carry out the branding requirements required.

7.1.2 trades without a valid liquor license or fails to renew same as required by law.

7.1.3 is suspected of receiving, trading in or selling liquor that has been stolen or hijacked or not paid for to any supplier

7.1.4 fails to pay creditor (nominated suppliers) within the credit terms offered by the nominated supplier.

7.1.5 fails to maintain the image of the brand relating to dress requirements, appearances of **OUTLET**, operational standards, cleanliness, or tarnishes or brings the name of **TLG** or its branding into disrepute.

7.2 On the cessation of the membership, the **MEMBER** shall cease to display the branding with immediate effect.

7.3 The **MEMBER** shall be provided with an opportunity to remove all branding *Liquor legends* from the **PREMISES**, within (5) Five days from the date that the **MEMBER** is notified of the termination of the **MA**.

7.4 The **MEMBER** hereby appoints and authorizes **TLG** and its staff to remove the branding on its behalf, should such branding not have been removed by the **MEMBER** within the time period set out in clause 7.3.

7.5 On termination of the **MA** of any **MEMBER**, **TLG** shall notify the liquor suppliers of same, where after the **MEMBER** shall cease to obtain any liquor stock at prices negotiated by **TLG** or any promotional stock.

8 SALE OF MEMBERS BUSINESS

The **MEMBER** hereby agrees to give **TLG** the right of first refusal to purchase the **MEMBERS** business. **TLG** shall have a period of 10 (ten) days to consider the **MEMBERS** offer of sale. Should **TLG** not wish to purchase the business of the **MEMBER**, then the **MEMBER** shall be entitled to sell his business to any third party, but not at a price less than that offered by the **MEMBERS** to **TLG**, unless the business is again offered at the lesser price to **TLG** and is declined.

Applicant and authorized applicant

Date _____

MEMBERSHIP INFORMATION

NAME OF CC/ PTY OR OWNER _____

Registration number _____

**Name and surname of applicant
Representing the member** _____

Managers name _____ **Cell no** _____

Address of premises _____

Delivery address

Vat Reg number _____

Liquor License NO _____

Business Tel no _____ **Cell no** _____

Fax no _____ **Email** _____

Date of membership _____

DEBIT ORDER INSTRUCTION: SUBSCRIPTION PAYMENTS**STORE NAME:** _____

We, _____ and _____ in our capacity as Members/Directors/Trustees of _____ hereby authorise

TRADERS LIQUOR GROUP (PTY)LTD

to deduct the amount of R _____ (_____) inclusive of vat in respect of the subscription fees as per the membership agreement signed by ourselves and **TRADERS LIQUOR GROUP (PTY)LTD**

in monthly instalments of R _____ commencing on _____

The bank details are as follows:

NAME OF BANK	
BRANCH	
BRANCH CODE	
NAME OF BANK ACCOUNT	
ACCOUNT NUMBER	
SIGNED	
DATE	
WITNESS	