



injection - extraction cleaning
machines for carpet and hard floor

Foam - extraction machines
for upholstery cleaning

Foam - rinse - vacuum machines
for restroom cleaning and sanitizing

Santoemma South Africa - Memorandum of Understanding - Distributorship

This memorandum is a written agreement put in place to establish a clear understanding of the arrangement made between the distributor and Halden Export with regards to selling and servicing Santoemma products in Southern Africa. It will explain how the arrangement will practically function and will describe each party's role and responsibilities.

Halden Export

Halden Export Enterprises imports several brands of products from various manufacturers internationally namely: Santoemma, Truvox, Fast, Cimex & Eurosteam.

This agreement covers the Santoemma South Africa brand. Santoemma South Africa is division of Halden Export Enterprises (Hereafter referred to as Halden)

Halden's role as Southern African importer is to establish a network of distributors country wide as well as the neighbouring countries. Halden operates from Cape Town South Africa and has administration, warehousing, training and service facilities. Halden is able to provide all marketing material, full pricing and technical expertise on all our brands.

Halden does not sell to the "end user" although has certain house accounts that were established years ago and are still maintained. Santoemma sells to distributors that re-sell to end users. End users are generally deemed as contract cleaners or companies actually using the equipment.

Distributors

The distributor's role is to sell and service the Santoemma brand. They will enter into a business relationship with Halden, establish an account and work towards a sales strategy that will be drawn up with Halden.

The distributor is able to represent any other products deemed to be competitive to Halden's equipment. The distribution rights are not limited to a Geographical area

Because of the large geographical area in Southern Africa and different levels of business in different industries, Halden offers 3 categories of distribution packages.

Distributor

The distributor is deemed to be an official **Santoemma South Africa distributor** and is generally an established seller of cleaning equipment. They will be included on our official distributor listing. If we get the Santoemma Equipment listed with a contract cleaner, then they will receive our official distributor list with all their details.

- ***The distributor must cover the following criteria for their business:***
 - A premises / place of business
 - Actively sell and market to target market segments – by use of representatives and electronic and telemarketing
 - Be able repair and maintain equipment – via a workshop
 - Be able to provide training and after sales service – via the sales team
 - Have an accounts administration department
 - Have warehousing to hold stock of both spares and new machines
 - Make an opening order covering the three machine types / categories namely: Carpet Professional cleaning systems, Restroom Sanitation Systems and Upholstery Cleaning systems and spares.
 - Fill in an accounts application form which must be approved

- ***Halden is able supply the following key processes:***
 - Help or guidance with an analysis of area industries and markets – if not done yet
 - Help or guidance with establishing a database – if none exists
 - Marketing material – brochures / electronic brochures / Posters / promotional items (when available)
 - Electronic Stationery - email signatures, letter heads and quotes
 - Signage collaboration – vehicle and building – to be quantified
 - Training for sales staff, both theoretical and practical (machine usage)
 - Training for technical staff, both theoretical and practical (machine usage, maintenance and repair) with certification
 - Full set of technical diagrams and service manuals

- ***Halden has also set up the following business structures and support:***
 - Halden will provide National Advertising in industry publications
 - The introduction of Santoemma to contract cleaners, hospitality groups, healthcare groups and property groups by Halden.

- ***Distributor Terms:***
 - Payment terms of 30 days from date of statement as well as an extra 2.5% discount for payment within 30 days.
 - Halden reserves the right to revoke any credit extended at the Halden's sole discretion.
 - Distributors agree to pay such invoices when due regardless of other scheduled deliveries.

- ***Pricing:***
 - The distributor is entitled to a special once off discount on all opening orders
 - There after a standard discount will apply.
 - All discounts to be confirmed in writing.
 - A full price list is provided which will act as guideline for the distributor and end user.
 - All pricing is stated ex Halden's offices in Paarden Eiland Cape Town.
 - Prices do not include transport costs and shall be borne by the distributor.
 - All prices are excluding VAT
 - E & OE.

- ***Target:***
 - *Category 1 Distributor must make minimum purchases of R30 000.00 excluding VAT per month*