



COLLECTION SERVICE AGREEMENT

Between

COLMED DEBT ADMINISTRATORS (PTY) LTD

(hereinafter called "The Debt Collector")

and

Registered Name of business
VAT Number
Client Registration Number / Practice Number
Contact Person
Telephone No.
Fax No.
Cell No of client contact person
Cell No of owner of the business
E-mail address of client contact person
E-mail address of owner of the business
Postal Address
Physical Address

(herein after called "The Client")

- 1. Definitions:
In this agreement, unless the contrary appears from the context, the following words and expressions shall have the indicted meaning:
1.1 Debt: monies due and owing to the Client by the Client's debtors, including the capital amount, interest, if applicable, and the legal costs/collection costs of the Debt Collector thereon,
1.2 Debtor: The person and/or entity liable for payment, who is indebted to the Client and liable for payment of such debt.
1.3 Capital: The capital amount due and payable to the Client by the Debtor
1.4 Interest: Interest recoverable from the Debtor, by the Client, which interest shall be determined by the applicable Legislation, alternatively by agreement between the Client and Debtor
1.5 Collection costs: such expenses and fees as may be recovered from a debtor by the Debt Collector in terms of Section 19(1)(b) of the Debt Collectors Act, Act 114 of 1998, read with Regulation 11 and Annexure B to the Regulations of the Act
1.6 Legal costs: the legal costs which can be recovered from the Debtor by the attorneys (if applicable) of the Debt Collector in terms of the Magistrate's Court Act and/or High Court Act
1.7 Debt Collector: ColMed Debt Administrators (Pty) Ltd, the Debt Collector registered in terms of the Debt Collectors Act 114 of 1998
2. It is hereby agreed that the Client may from time to time sell to the Debt Collector, debts for collection by the Debt Collector, subject to the terms and conditions herein.
3. In order to give effect to the above sale agreement, the Client will cede in writing to the Debt Collector, the Company's right, title and interest in such debts. The Client will hand to the Debt Collector all quotations, tax invoices, credit information, statement of accounts, relevant documentation regarding the debt and the debtor in order for the Debt Collector to proceed with the collecting of the outstanding debt against the debtor.
4. The Client warrants that the debts handed over for collection are legally due and payable by the debtor to the Client.

5. The purchase price shall be \_\_\_\_% (exclusive of VAT) of the capital and interest of any debt successfully collected by the Debt Collector, which purchase price shall become due and payable to the Client as and when the debt is collected by the Debt Collector from the debtor.
6. The Debt Collector undertakes to apportion any payment received from the debtor in equal shares to the capital amount owing and collection costs incurred by the Debt Collector.
7. In the event that the debtor made any payments directly to the Client, after such debts were handed over by the Client to the Debt Collector, the Client will notify the Debt Collector of such payments and will the Debt Collector be entitled to deduct his remuneration in accordance with this agreement, as if the Debt Collector was successful with the collection of the debt and will the Debt Collector be entitled to set off his collection charges against any money owing to the Client.
8. If any debt is withdrawn from the Debt Collector by the Client, other than in accordance with paragraph 10 herein under, the Client will be liable to the Debt Collector for the reasonable and fair collection costs incurred by the Debt Collector.
9. The Debt Collector shall furnish the Client with a detailed monthly statement on or before 7<sup>th</sup> day of each and every month, of all monies due to the Client, as set out in 6, all monies due by the Client in terms of 7, all monies due by the Client in terms of 8 and shall pay the monies owed to the Client on or before the 15<sup>th</sup> day of each month directly into the bank account of the Client with the following details:  
 Name of Bank: \_\_\_\_\_  
 Name of Account Holder \_\_\_\_\_  
 Account Number \_\_\_\_\_  
 Branch code/name \_\_\_\_\_  
 Type of account \_\_\_\_\_
10. The Client will be entitled to withdraw the debt handed over to the Debt Collector, if the Debt Collector has failed to recover any payments and/or conclude any installment agreement by the debtor to pay the debt in monthly installments to the Debt Collector, within six (6) months from date of handing the debt over to the Debt Collector.
11. The Debt Collector will be entitled to collect the collection costs incurred by the Debt Collector in terms of the relevant legislation from debtor, which costs will not form part of the capital and/or interest amount. The Client will not be entitled to any of the collection costs recovered by the Debt Collector from the debtor. The Debt Collector will not charge the Client for any collection costs except as mentioned in paragraph 8 above.
12. The Client warrants that any debt handed over to the Debt Collector, is legally due and payable by the debtor to the Client. The Client indemnifies the Debt Collector against claim by the debtor arising from any debt that is not legally due and payable to the Client.
13. The Client confirms herewith that the above mentioned banking details are correct. In the event that the Client changes his banking details, written notice must be given to the Debt Collector and the Debt Collector must acknowledge receipt thereof in writing.

Signed at \_\_\_\_\_ on \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_  
for and on behalf of the Client

\_\_\_\_\_  
for and on behalf of ColMed Debt Administrators (Pty) Ltd

As witnesses:

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