

RESTRAINT OF TRADE AGREEMENT

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and

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1 In this agreement, unless a contrary intention clearly appears:

- 1.1 "business" means ;
- 1.2 "competitive activity" means ;
- 1.3 "the covenantor" means ;
- 1.4 "person" includes any company, close corporation, partnership, business, concern, undertaking, enterprise or any other instance having a legal personality;
- 1.5 "the restraint period" in relation to the covenantor means:
 - 1.5.1 * a period of years from the effective date of sale of ;
 - or
 - 1.5.2 * period equal to the aggregate of the period during which the covenantor is employed by or in the business and a period of years thereafter,whichever is the shorter;
- 1.6 "the territory" means .

- 2 The covenantor hereby undertakes to each of _____ that he will not, either alone or jointly or together with any other person:
- 2.1 during any part of the restraint period be interested or engaged in any capacity whatsoever, including, but without prejudice to the generality of the foregoing, as trustee, proprietor, shareholder, member, manager, director, adviser, consultant, partner, employee, financier or agent in or for any person which is directly or indirectly engaged, interested or concerned in a competitive activity in the territory;
- 2.2 during any part of the restraint period and thereafter, to the extent that the same are protected by law, disclose any trade secrets and/or confidential information of the business other than to persons connected with the business and who are required to know such secrets or to have such confidential information. Trade secrets and confidential information shall include (but not be limited to) all and whatever information relating to the business and their suppliers and customers which is not readily available in the ordinary course of business to their competitors.
- 3 The covenantor acknowledges and agrees that:
- 3.1 the restraints imposed upon him in terms of this agreement (interpreted initially in their widest sense as provided in clause 3.3) are reasonable as to subject matter, period and territorial limitation and are no more than reasonably necessarily required by _____ to maintain the goodwill of, and its legitimate business interests in respect of, the business;
- 3.2 the provisions of clauses 2 and 3.1 shall be construed as imposing separate, severable and independent restraints in respect of:
- 3.2.1 the covenantor in favour of
- 3.2.2 each of the months falling within the restraint period;
- 3.2.3 each magisterial district falling within the territory;
- 3.2.4 each activity falling within the ambit of a competitive activity;
- 3.2.5 each capacity in relation to a competitive activity which the covenantor is prohibited from holding in terms of this agreement;
- 3.3 the restraints set out in clause 2 shall initially be given the widest possible interpretation and no restraint or combination of restraints shall be limited by reference to or inference from any other restraint or combination of restraints, provided however that the invalidity or unenforceability of any one or combination of restraints referred to in clause 2 (including the restraints interpreted in their widest cumulative sense as aforesaid) shall not affect the validity or enforceability of any of the other restraints referred to in clause 2 or another combination of such restraints.
- 4 No restraints referred to in this agreement shall apply to any direct or indirect shareholding by the covenantor in any company listed on a recognised Stock Exchange where the aggregate direct and indirect holdings of the covenantor, his spouse and descendants does not exceed 5% (five per centum) of any class of that listed company's issued share capital and the interest of such persons in that company is solely that of a shareholder.

5 The Covenantor undertakes that neither he nor any person in or by which he is directly or indirectly interested or employed will during the restraint period and whether for reward or not, directly or indirectly:

5.1 encourage or entice or incite or persuade or induce any employee of the business to terminate his employment with the business; or

5.2 furnish any information or advice to any employee then employed by the business or to any prospective employer of such employee or use any other means which are directly or indirectly designed, or in the ordinary course of events calculated, to result in any such employee terminating his employment with the business and/or becoming employed by or, directly or indirectly, in any way interested in or associated with any other person,

or attempt to do so.

6 The above restraints shall endure also in favour of the successors-in-title of .
The term "successor-in-title" shall mean any person who:

6.1 acquires the business; or

6.2 acquires the goodwill of the business of ; or

6.3 becomes the beneficial owner of such goodwill through his shareholding in any company; or

6.4 has acquired by cession the right to enforce the restraints embodied herein.

THUS DONE AND SIGNED AT ON :

COMPANY

COVENANTOR