

STANDARD TERMS AND CONDITIONS OF BUSINESS

C2M Chartered Accountants Inc.

C2M Chartered Accountants Inc. (hereafter referred to as C2M) is a medium-sized audit practice established in 1997. Located in Bellville, Cape Town, C2M is a registered member of the South African Institute of Chartered Accountants (SAICA) and the Independent Regulatory Board for Auditors (IRBA).

C2M is affiliated with **Integra International**, a global association of professional audit firms. This allows our clients access to well-rounded advice from global experts, no matter where in the international business sphere their interests lie.

The Terms of our Engagement

The work we agree to perform for you and for which we will be responsible (“the specified work”) will be set out in an engagement letter to you. The ultimate responsibility for the specified work will rest with the engagement partner identified in our engagement letter. Where the specified work needs to be varied or supplemented, this must be agreed to by the engagement partner in writing. Where we identify an engagement team in the engagement letter we will use all reasonable endeavours to ensure those persons perform the specified work.

Various disruptions may influence the continuity of our engagement. Whilst we will try to ensure that continuity is not affected, we give no warranty or guarantee of this. We may need to substitute the mentioned personnel and, in such an event and as far as possible, reasonable notice thereof will be given and replacement personnel of equivalent ability will be provided. Factors which may affect continuity include situations where our personnel (including partners, salaried staff, articled clerks, consultants and contractors):

- i. Undergo or administer periodic training;
- ii. Take their annual or other leave entitlement; and/or
- iii. Terminate their employment or other contractual relationship with us.

We are under no obligation to update any work done for you after completion thereof unless otherwise agreed in our engagement letter or where we are required to do so in terms of our professional obligations.

Where the delivery of the services requires information from, or the co-operation of officials and your employees, you undertake to use your best efforts to ensure that your director(s), management, officials and employees are available when required and that they provide the necessary information and co-operation on a timely basis. Reasonable facilities and access to data and information will be provided for by you.

Any advice, opinion, statement of expectation, forecast or recommendation supplied by us will not amount to any form of guarantee or warranty of future events or circumstances.

Fees

We have fixed fees based on a set charge out rate in respect of services rendered, however such cost may increase depending on the:

- (i). Complexity of the work;
- (ii). Level of skill required;
- (iii). Available resources; and
- (iv). Responsibility necessary to carry out the work.
- (v). Where you impose stringent reporting requirements or deadlines.

If you are a registered Provisional taxpayer, the first, second and third (voluntary) provisional tax returns (IRP6) will be completed, submitted and billed accordingly. You will be contacted prior to submission to confirm if you are in agreement with the calculation. Should you not advise us regarding any changes, we will not be held responsible for any penalty raised by SARS in this regard and you indemnify and hold us harmless against any claims as a result thereof.

Kindly note our fees are subject to change due to change in legislation and/or new requirements from SARS.

In the event of invoices not being settled within 30 days of presentation, we reserve the right to charge interest at the maximum rate allowed in terms of the National Credit Act on the outstanding amount until the debt is settled.

Please be advised that costs and time spent in legal matters or proceedings arising from our engagement such as subpoenas, testimony or consultation involving private litigation, arbitration or government regulatory enquiries at your request or by subpoena, will be billed for separately.

We may, at our discretion, issue interim invoices for fees and disbursements incurred during the course of our engagement. All invoices are due on presentation and must be paid in full without deduction or set-off. We shall be entitled to charge interest on all outstanding amounts. Interest will be calculated on a monthly basis and any payments received from you will be allocated first to interest and then to capital, beginning with the oldest debt.

Notwithstanding the termination clause in these terms and conditions and without prejudice to any rights that we may have in law, we will be entitled to immediately terminate or suspend any work we are doing for you (including specified work), should payment of any of our invoices be overdue. It will not be necessary for us to give you notice of our intention to act in terms of this clause before doing so, except where our professional obligations oblige us to do so.

In the event that we instruct our attorneys to collect any amounts owing, you shall be liable for all our legal costs on a scale as between attorney and client.

Confidentiality

We agree to comply with the applicable laws, rules, regulations, guidelines and professional standards with regard to the confidentiality of any information we receive from you. Some of these require us to disclose certain information that may come to our attention whilst carrying out work for you to an external regulatory body or board, including but not limited to matters reportable to the Financial Intelligence Centre and reportable irregularities reportable to the Independent Regulatory Board for Auditors in terms of the Auditing Professions Act, 26 of 2006, as amended. We reserve the right to make information we receive from you available to our insurers or legal advisors in the event that this becomes necessary. Disclosure in any of these instances will be permissible and will not be a breach of confidentiality.

You agree to keep confidential any methodologies and technology used by us when carrying out any work for you. You further agree to allow us to use your name as a reference in proposals or similar submissions to other prospective clients. We are aware of the provisions of the Protection of Personal Information Act, 2013. We will therefore not disclose any personal information without your consent, or if we are legally obligated to disclose such personal information as defined in the Act.

Limitation of Liability and Indemnity

Our liability for the aggregate of all and any claims you may have against us and/or any of our employees, agents, consultants or contractors arising out of or in connection with any work carried out for you (collectively hereinafter referred to as "the claims") shall be 2 (two) times our fee. This maximum liability shall be an aggregate liability for all claims howsoever arising, whether by contract, delict, negligence or otherwise. You furthermore agree that you will not pursue any proceedings against any past or present director(s) or employee(s) of C2M or any of its agents or sub-contractors. You hold us harmless against any claims exceeding this amount and indemnify us against any such claims.

Our service or any portion thereof, is dependent on information supplied by you. We shall be entitled to assume that all the data and information provided by you is accurate, reliable and complete. We will not be liable to you or any third party for any damages suffered as a result of the information you provided us being incorrect or incomplete or where you fail to disclose any relevant information to us. You indemnify and hold us harmless against any claims or expenses relating thereto.

Where the loss you seek to recover in any contractual claim you may make against us was in any way caused or contributed to as a result of your own negligent or intentional acts or omissions (or an acts or omissions for which you are vicariously liable), any damages we may become liable to pay to you (which will never exceed our maximum liability as specified above) will be reduced to the extent it is just and equitable to do so, having regard to the degree to which the aforesaid acts or omissions contributed to the loss of the contractual claims made by you.

You agree to indemnify us against any claims made by third parties against us, where such claims arose directly or indirectly as a result of a breach of any agreement (including this one) between us, and regardless of whether or not such a breach caused us to suffer any sort of loss.

Unless we receive instructions to the contrary, we may communicate with you from time to time by electronic mail. We will not be liable for any damages or losses sustained by you directly or indirectly associated with the use of electronic mail.

Where services are rendered otherwise than in terms of the Engagement Letter, this clause shall apply separately to services relating to each invoice issued.

Notwithstanding the limitation of liability set out above, we will not be entitled to reduce or limit our liability to you or a third party where the Engagement is for us perform an audit of the sort referred to in paragraph (a) of the definition of "audit" in Section 1 of the Auditing Professions Act, 26 of 2005, as amended.

We shall have no responsibility or liability whatsoever in respect of any advice given or work undertaken for the client by persons who are not partners, directors, principals, members of staff or employees of C2M, regardless of whether or not such persons were introduced to you by us.

Termination

Either party may terminate or suspend this Agreement at any time by giving thirty days' notice in writing of their intention to do so, unless prevented by law or regulation. In the event of either party terminating or suspending the Agreement in terms of this clause, we will be entitled to invoice you for all work done until the date of termination, including any disbursements incurred in carrying out any work for you. We will endeavour to hand all relevant information to the new advisor as soon as all outstanding fees are paid in full. You acknowledge that we are entitled to retain all documents of whatsoever nature until such time as our fees have been paid in full.

In the event of either party breaching the terms of this Agreement, the other party may, by written notice require the party which is in breach to remedy such breach. If this has not been remedied within 14 (fourteen) days of receipt of such notice, or if the breach is incapable of being remedied, the other party may in writing terminate this Agreement without prejudice to its right to claim damages.

Intellectual Property

We shall retain all intellectual property rights in all materials and working papers, including methodologies, know-how, trade secrets, software and tools used, provided or developed by us in providing and delivering our services.

Except for cases where a licence is expressly granted by C2M, you shall acquire no rights or interest in such property.

Any intellectual property and proprietary rights in material provided by you for performing the services shall remain your property.

Non-exclusivity

You acknowledge that we provide a variety of other services to a large and diverse range of clients. The provision of our services to you will not prevent us from providing the same or similar services to other parties, some of whom could be your competitors or who may be in conflict with you.

You hereby acknowledge that C2M may already have provided the same or similar services to other parties.

Where we are aware of the same or similar services being provided to other parties, safeguards will be implemented to protect your interest.

Whilst we are bound by the confidentiality clause contained herein, we shall have the right to use your name and a description of the services as a reference in seeking to provide services to other parties, unless you expressly forbid it.

Third Parties

Save to the extent that these terms and conditions provide benefits to our employees, directors, consultants or contractors, nothing herein is to be construed as creating any rights in favour of any other third parties.

Any advice, report, certificate, schedule or other deliverable arising from or in connection with the services will be for the sole use of the party or parties to whom it is addressed and may be relied upon only by that party or parties and used solely for the purpose for which it was prepared. No person other than the party or parties to whom it is addressed shall be entitled to place any reliance thereon for any purpose whatsoever.

You indemnify us against any claim by any third party arising from a copy of any report, certificate, schedule or other deliverable or extract therefrom which the third party received from you or your advisors.

Applicability of these Terms and Conditions

These terms and conditions will apply in respect of all work done by us, whether it is specified work or otherwise and whether or not there shall be in existence any written or other express acceptance which conflicts or contradicts these terms and conditions. We reserve the right to amend these terms and conditions from time to time.

Postal Address and Reliance on client information

You agree that we use the C2M postal address for all your communications with SARS in respect of your income tax matters that we are attending to, including correspondence, annual returns, provisional tax returns, assessments, and other SARS correspondence. On receipt we will take whatever action we deem necessary with regard to same.

As we can only accept responsibility for documentation which is received at our offices, we request that you immediately forward to us copies of any assessments, returns or correspondence which you, or your previous tax administrator, may receive from SARS.

Retention of records

It is our normal policy not to retain client tax records on completion and these will be returned to you for safekeeping for 5 years from date of assessment. Kindly note the retention of official records will vary in accordance with legislation regulation of the government departments.

Quality of service

We will seek to ensure that our service is satisfactory at all times and delivered with reasonable skill and care. If at any time you would like to discuss with us how the service can be improved, you are invited to contact the partner identified in the engagement letter.

Severability

If any provision or clause of this document or the engagement letter becomes invalid or unenforceable, such provision or clause shall be divisible and the remainder of the document or engagement letter shall remain in force and be binding on the parties.

Consent to exchange of personal information in terms of the Protection of Personal Information Act No 4 of 2013

In signing this letter the signing party voluntarily consents to the use of any personal information collected by C2M necessary to perform the abovementioned functions as accounting officers to be used, reviewed or processed by any other of the entities in the C2M Group, only to such extent as is required to perform its functions or if legally required to do so.

C2M Website www.c2m.co.za

We endeavour to keep our clients and the general public informed with Tax and Legislative updates and much more. We invite you to visit our website on a regular basis to remain informed or subscribe to our newsletter.