

J HAMEL & CO / JHCO FINANCIAL SERVICES (PTY) LTD

Chartered Accountants (SA) / Registered Auditors Standard Engagement Terms and Conditions

These standard terms and conditions apply to all services rendered by J Hamel & Co. to a client pursuant to a letter that records the engagement (“the engagement letter”) enclosing these standard terms and conditions or incorporating them by reference.

Definitions

The meanings of the following words and phrases, which are widely used in these standard engagement terms and conditions, will be as set out below:

Colleagues/a colleague:

Collectively or individually, persons and employees who are not members of the engagement team.

Engagement team:

Collectively or individually, persons and employees who are involved in delivering the services.

J Hamel & Co. or we (or derivatives):

The contracting party as identified by our letterhead.

J Hamel & Co. persons:

These will be the contracting party, each and all of our partners, directors, employees and agents, as the case may be, together with any other body or entity controlled by us or owned by us or associated with us and each and all of its partners, directors, employees and agents, and a “J Hamel & Co. person” shall mean any one of them.

Other beneficiaries:

Any and each person or organisation whose activities you may control, or any other organisation or entity associated with you, if any such person or organisation is identified in the engagement letter as a recipient or beneficiary of the services or any product thereof and any and each person or organisation which we and you agree may be so treated.

Services:

The services to be delivered by us under the engagement letter.

Services contract:

The standard engagement terms and conditions and the engagement letter, together with any documents or other terms applicable to the services (“additional terms”) specified in an engagement letter, as well as any documents or other terms applicable to the services to which specific contractual reference is made in the engagement letter.

You (and derivatives):

The client.

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Service delivery

1. 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 telephone the partner identified in the engagement letter.
2. The engagement will be governed and interpreted in accordance with the laws of South Africa.
3. Where individuals are to be involved in delivering the services, which individuals are named in the engagement letter, we will use reasonable endeavors to ensure that they are so involved. We may substitute those named for others of equal or similar skills.

Our services and responsibilities

4. We may acquire sensitive information concerning your business or affairs in the course of delivering the services (“confidential information”). In relation to confidential information we will comply with the confidentiality requirements of the Independent Regulatory Board for Auditors (if applicable) and the South African Institute of Chartered Accountants as well as the provisions of the Auditing Profession Act, No.26 of 2005 (if applicable). This clause shall not apply where confidential information enters the public domain or where we may be required to disclose it to our insurers, legal advisers or under legal compulsion.
5. Prior to completion of the services we may supply oral, draft or interim advice or reports or presentations, but in such circumstances our written advice or our final written report shall take precedence. You should place no reliance on any draft or interim advice or report or any draft or interim presentation. Where you wish to rely on oral advice or on an oral presentation made on completion of the services, you must inform us and we will supply documentary confirmation of the advice concerned.
6. We will not be under any obligation in any circumstances to update any advice, report or any product of the services, oral or written, for events occurring after the advice, report or product concerned has been issued in final form, unless otherwise specifically agreed upon by mutual consent by you and us.
7. Any product of the services released to you in any form or medium will be supplied by us on the basis that it is for your benefit and information only and that it may not be copied, referred to or disclosed, in whole or in part (save for your own internal purposes), without our prior written consent. The services will be delivered on the basis that you may not quote our name or reproduce our logo in any form or medium without our prior written consent. You may disclose in whole any product of the services to your bankers and legal and other professional advisers for the purposes of your seeking advice in relation to the services, provided that when doing so you inform them that:
 - a. disclosure by them (save for their own internal purposes) is not permitted without our prior written consent; and

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- b. we accept no responsibility or liability whatsoever and neither do we owe any duty of care to them in connection with the services.
8. Any advice, opinion, statement of expectation, forecast or recommendation supplied by us as part of the services will not amount to any form of guarantee or warranty that we have determined or predicted future events or circumstances.
9. It may become necessary, as the services contract proceeds, to change the scope of the services to include matters that you may deem appropriate. You will discuss and agree to such changes with us, which may include the payment of any additional fees and the extension of the period to provide any additional services. Significant variations in the scope of the services will be the subject of a supplementary engagement letter.

Ownership

10. We will retain ownership of the copyright and all other intellectual property rights in the production of the services, whether oral or tangible, as well as ownership of our working papers. For the purposes of delivering services to you or other clients, we will be entitled to use or develop knowledge, experience and skills of general application gained through performing the services. You agree to keep confidential any methodologies and technology used by us to carry out our services.
11. We have the right to use your name as a reference in proposals or other similar submissions to other prospective clients, unless you specifically withhold permission for such disclosure. If we wish to use details of the work done for you for references purposes, we will obtain your permission in advance.

Fees

12. We will render invoices in respect of the services comprising fees, disbursements and VAT thereon (where appropriate), together with any other foreign taxes (if applicable) that might be payable thereon (“fees”). Details of our fees and any special payment terms will be set out in the engagement letter.
13. Our fees are based on the time spent on your affairs by “J Hamel & Co. persons” or agents, as the case may be and on the levels of skill and responsibility involved, the nature and complexity of the services, and the resources required to complete the engagement. The fees may differ from estimates that may have been supplied, which estimates will be provisional only. Stringent reporting requirements or deadlines imposed by you might require work to be carried out at a higher level than usual or outside normal working hours. This may result in increased costs. Additional fees may also result from material changes in the services or from difficulties in obtaining information, which could not reasonably have been foreseen.
14. Disbursements in respect of traveling expenses, photocopies, stationery, revenue stamps, postage, e-mails, and telephone calls will be recoverable at our predetermined rates.

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15. In return for the delivery of the services by us, you will be required to pay our fees, without any right of set-off, on presentation of our invoice. Without prejudice to any other rights that we may have in law, we reserve the right to suspend or terminate immediately the performance of any service, at any time, with or without notice, should payment of any of our fees be overdue.
16. We will be entitled to charge interest (at maximum usury rates) on all amounts outstanding, for whatsoever reason, longer than thirty days from the date reflected on our invoice. Such interest will be calculated on a monthly basis. All payments will be allocated first to interest, then to disbursements, and then to the oldest outstanding fee.
17. In the event of your appointing another advisor in our stead, or otherwise terminating our mandate, we will be entitled to raise an invoice upon receipt of such notification for all work done to date and not yet billed, at our standard charge-out rates, including disbursements incurred. In such event, you undertake to settle our account in full prior to our handing over your books and records to you or to your appointee.

Your responsibilities

18. You will retain responsibility and accountability for:
 - a. the management, conduct and operation of your business and affairs;
 - b. any representations made by the company to third parties, including published information;
 - c. the maintenance of the accounting records, the preparation of the annual financial statements, and the safeguarding of the assets;
 - d. ensuring that the adopted policies and prescribed procedures are adhered to for the prevention of errors and irregularities, including fraud and illegal acts;
 - e. the use of, extent of reliance on, or implementation of advice or recommendations supplied by us or other product of the services;
 - f. making any decision in respect of the services delivered or any use of the product of the services;
 - g. the delivery, achievement or realisation of any benefits directly or indirectly related to the services that require implementation by you;
 - h. ensuring that all arrangements are made for access, security procedures, virus checks, facilities, licenses and/or consents (without any cost to us), where you require us to do so or the nature of the services is such that it is likely to be more efficient for us to perform work at your premises or use your computer systems or telephone networks.

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Information

19. To enable us to perform the services, you will use your best endeavors to procure and to supply promptly all information and assistance, and all access to documentation in your possession, custody, or under your control, and to personnel under your control, where required by us. Where such information and/or documentation are not in your possession or custody, or under your control, you will use your best endeavors to procure the supply of the information, assistance and/or access to all the documentation.
20. You will inform us of any information or developments that may come to your attention during the continuance of the services contract, which might have a bearing on or be relevant to the services we have agreed to provide.
21. We may rely on any instructions or requests made or notices given or information supplied, whether orally or in writing, by any person whom we know to be or reasonably believe to be authorised by you to communicate with us for such purposes (“an authorised person”).
22. We may choose to communicate with you by electronic mail where an authorised person wishes us to do so, on the basis that in consenting to this method of communication, you accept the inherent risks of such communications (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications, and the risks of viruses or other harmful devices) and that you will perform virus checks. We will use commercially reasonable procedures to check for the most commonly known viruses before sending information electronically.
23. If our communication relates to a matter of significance on which you wish to rely and you are concerned about the possible effects of electronic transmission, you should request a hard copy of such transmission from us. If you wish us to password protect all or certain documents transmitted, you should request us to do so.
24. We may receive information from you or from other sources in the course of delivering the services and:
 - a. we will consider the consistency and quality of information received by us;
 - b. we will not seek to establish the reliability of information received from you or any other information source. Accordingly, we assume no responsibility and make no representations with respect to the accuracy, reliability or completeness of any information provided to us;
 - c. we will not be liable to you for any loss or damage suffered by you arising from fraud, misrepresentation, withholding of information material to the services, or other default relating to such material information, whether on your part or that of the other information sources.

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25. You undertake to supply information in response to our enquiries to enable us to comply with our statutory obligations relating to the Financial Intelligence Centre Act, No.38 of 2001 and the Prevention of Organised Crime Act, No.12 of 1998.

Knowledge and conflicts

26. The engagement team will not be required, expected or deemed to have knowledge of any information known to colleagues, which is not known to them personally, or be required to obtain such information from colleagues. The engagement team will not be required to make use of, or to disclose to you, any information, whether known to them personally or known to colleagues, which is confidential to another client of J Hamel & Co.
27. We or other “J Hamel & Co. persons” may be approached to advise another party or parties who are in dispute with you, or to advise or represent the interests of a party or parties whose interests are opposed to yours through their material concern in matters to which the services are specifically and directly related (“adversarial conflicts”). We seek and will continue to seek to identify adversarial conflicts. If you know or become aware of any that may arise, you should inform us promptly.
28. We will endeavor to have mechanisms operating between “J Hamel & Co. persons” designed to facilitate the protection of each client’s interests through the use of, *inter alia*, one or more of the following safeguards: separate teams, geographical separation, and operational independence.
29. We will not accept an engagement that may give rise to an adversarial conflict for the engagement team. Colleagues may accept such an engagement where appropriate and where effective barriers exist to prevent the flow of confidential information from the engagement team to colleagues and from colleagues to the engagement team. We may accept such an engagement only when the adversarial conflict is disclosed to all the parties involved and their consent is obtained. The existence of such barriers will constitute full compliance with our duty of confidence in relation to adversarial conflict.
30. We or other “J Hamel & Co. persons” may be approached to advise another party or other parties where there is no adversarial conflict but whose interests compete with yours specifically and directly in relation to the subject matter of the services (“competing party” or “competing parties”). We seek and will continue to seek to identify competing parties. If you know or become aware that a “J Hamel & Co. person” is advising or proposing to advise a competing party, you should inform us promptly. In such situations we will take appropriate measures to ensure that strict confidentiality is maintained in all respects.
31. Where a party being advised by us has been identified by us or notified by you as a competing party, we will activate appropriate barriers, and when those barriers have been activated we will be entitled to advise the competing party concerned at any time and in any capacity (save in relation to an adversarial conflict). We will supply you with the details of the potential adversarial conflict and how this will be approached, either before we commence work in accordance with these standard terms and conditions or during the engagement. The existence

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of such barriers will constitute full compliance with our duty of confidence in relation to competing parties.

32. Where a party has engaged our services, and during the delivery of our services we are of the opinion, even with the barriers that we have introduced, that your or the other party's interests are likely to be prejudiced, we may, after consultation with you, choose to terminate the services contract and we will be entitled to do so on notice, which termination will be effective immediately. We will not be responsible for any costs that you may incur in securing other professional services.

The services contract

33. The services contract sets out the entire agreement and understanding between us in connection with the services. Any modifications or variations to the services contract must be in writing and signed by an authorised representative of each of us. No variation of the terms and conditions of the engagement will be of any force or effect unless reduced to writing and signed by all of the signatories thereto. In the event of any inconsistency between the engagement letter and any other elements of the services contract, the engagement letter will prevail. In the event of any inconsistency between these standard terms and conditions and additional terms that may apply, the additional terms shall prevail.

Third party rights

34. The services contract will not create or give rise to, nor will it be intended to create or give rise to, any third party rights.

Circumstances beyond our or your control

35. Neither of us will be in breach of our contractual obligations, nor will either of us incur any liability to the other, if we or you are unable to comply with the services contract as a result of any cause beyond our or your reasonable control. In the event of any such occurrence affecting one of us, that one shall be obliged as soon as reasonably practicable to notify the other, who will have the option of suspending or terminating the operation of the services contract on notice, which notice will take effect immediately on delivery thereof.

Waiver, assignment and sub-contractors

36. Failure by any one of us to exercise or enforce any rights available to us shall not amount to a waiver of any rights available to either of us.
37. Neither of us will have the right to assign the benefit or burden of the services contract without the written consent of the other.
38. We will have the right to appoint sub-contractors to assist us in delivering the services.

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Exclusions and limitations on our liability

39. The **maximum liability of J Hamel & Co.** or any individual partner, director, or employee, as the case may be, of J Hamel & Co., or of anybody or entity controlled by us or owned by us or associated with us in respect of direct economic loss or damage suffered by you or by other beneficiaries arising out of or in connection with the services including but not limited to claims based on gross negligence on the part of J Hamel & Co., **shall be limited to twice the fees charged and paid for these specific services for that specific financial year (subject to the Auditing Professions Act requirements when financial statement audit is performed).** The maximum liability will be an aggregate liability for all claims arising, whether by contract, delict, negligence, or otherwise.

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40. In the particular circumstances of the services set out in the engagement letter, the liability to you and to other beneficiaries of each and all "J Hamel & Co. persons" in contract or delict or under statute or otherwise, for any indirect or consequential loss or damage (including loss of profits) suffered by you (or by any such other party) arising from or in connection with the services, however the indirect or consequential loss or damage is caused, excluding our willful misconduct, shall be excluded to the extent that such limitation is permitted by law.

41. In determining the liability of J Hamel & Co., a court or an arbitrator shall limit the liability of J Hamel & Co. to that proportion of the loss or damage suffered by you which is ascribed to J Hamel & Co. by such court or arbitrator allocating a proportionate responsibility, having regard to the contribution to your loss or damage in question, or that of any other person, based upon relative degrees of fault, it being a term of the services contract that the provisions of section 1 of the Apportionment of Damages Act, No.34 of 1956 will apply to all claims between us and that 'breach of contract or gross negligence' and "damages" or 'losses' as used herein shall be deemed to fall within the meanings of "fault" and "damage" as contained in that section of the above Act.

42. Our liability to you will in no circumstances exceed the lower of the amount determined by the application of the monetary limit based upon fees charged to, and recovered from, you and the amount determined by the apportionment of responsibility, as the case may be.

43. You and other beneficiaries may not bring any claim personally against any individual partner, director, employee or agent, as the case may be, of J Hamel & Co. or of anybody or entity controlled by us or owned by us or associated with us in respect of loss or damage suffered by you or by other beneficiaries arising out of or in connection with the services. This restriction shall not operate to limit or exclude the liability of J Hamel & Co. as a company for the acts or omissions of its partners, directors, employees and agents. Any claim by you or other beneficiaries must be made (for these purposes a claim shall be made when court or other dispute-resolution proceedings are commenced) within two years of the date on which you or they became aware, or ought reasonably to have become aware, of circumstances giving rise to a claim or potential claim against us.

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Third parties

44. You will indemnify J Hamel & Co. and any “J Hamel & Co. persons” and hold them harmless against any loss, damage, expense or liability incurred by the parties and/or persons as a result of, arising from, or in connection with a combination of the following two circumstances:
- a. Any breach by you of your obligations under the services contract,
 - b. Any claim made by a third party or any other beneficiaries which results from or arises from or is connected with any such breach.

Termination

45. Each of us may terminate the services contract or suspend its operation by giving thirty days’ notice in writing to the other at any time, or as otherwise agreed between us. Termination or suspension under this clause shall be without prejudice to any rights that may have accrued to either of us before termination or suspension, and all sums due to us shall become payable in full when termination or suspension takes effect. We will be entitled to raise a fee note upon receipt of such notification for an amount adequate to cover all work done to date and not yet billed, including disbursements incurred. On termination each of us, on request, will return any property belonging to the other that it has in its possession. We may retain one copy of any documentation upon which the services are based to enable us to maintain a professional record of our involvement.
46. The following clauses of these standard terms and conditions shall survive expiry or termination of the services contract: clauses 2, 4, 5, 6, 7, 8, 17, 21, 25, 29, 30, 31, 32, 35, 36, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48 and 49.

Severability

47. Each clause or term of the services contract constitutes a separate and independent provision. If any of the provisions of the services contract are held by any court or authority of competent jurisdiction to be void or unenforceable, the remaining provisions shall continue in full force and effect.

Capacity

48. You agree to and accept the provisions of the services contract on your own behalf and as the agent for other beneficiaries. You shall procure in such circumstances that any other beneficiaries shall act on the basis that they are a party to the services contract, as if they had each signed a copy of the engagement letter and had agreed to be bound by it. However, you alone shall be responsible for payment of our fees.

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Arbitration

49. Your signature constitutes agreement to settlement of any dispute, controversy or claim by arbitration. The arbitration shall be held before a single arbitrator who is knowledgeable in legal procedures, the rules of evidence, and attestation-related work. The arbitrator shall be a person nominated by you and us or failing agreement between you and us, within seven (7) days after the arbitration has been demanded, shall be a person appointed by the president of the Arbitration Foundation of South Africa and the rules of the Arbitration Foundation of South Africa will apply to any such proceedings. The arbitrator shall deliver a written opinion setting forth findings of fact, conclusions of law, and the reasons for the decision. Any opinion entered as a final judgment will be final and binding on both parties.

These Standard Terms and Conditions will be effective immediately upon approval and signature and will remain effective, valid and in force for future years unless it is terminated, amended or superseded.

Please complete as follows:

1. Read, understand and Initial each page bottom right as approval,
2. Initial paragraph 39 specifically where indicated,
3. Sign in full below and return the original of this letter to indicate that it is in accordance with your understanding and acceptance of the arrangements, terms and conditions.
4. You are welcome to keep a copy for your own reference purposes.

If the foregoing accurately reflects your understanding of our standard terms and conditions, please indicate so by signing below.

Whole document accepted and acknowledged herewith by,

Entity Name: _____

Entity Registration #: _____

Full Name and Surname: _____

ID Number: _____

Position: _____

Signature: _____

I acknowledge I have the appropriate signing and binding powers.

Date: _____

*(All JHamel & Co services are governed by these standard terms and conditions, of which a copy is available at www.jhco.co.za
Therefore due to the standard terms and conditions availability and accessibility this letter will also govern retrospectively any previous services rendered if services were rendered before the signature date on this letter)*

Initial: _____