



STANDARD TERMS AND CONDITIONS

Audit Services

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INTRODUCTION & EXPLANATION

These standard terms and conditions apply to the services to be rendered by BDO to the Client and are incorporated by reference hereto in the engagement letter countersigned by the Client.

THE ENGAGEMENT LETTER

The engagement letter, read together with these standard terms and conditions, which are incorporated by reference, sets out the entire agreement between us and you with respect to our services.

Any reference in these standard terms and conditions to the engagement letter will include and, if necessary, is deemed to include these standard terms and conditions, unless otherwise specifically provided for. Likewise, any reference in the engagement letter to these standard terms and conditions will include and, if necessary, is deemed to include the engagement letter itself. The engagement letter and these standard terms and conditions are one and the same document.

Any modification or variation to the engagement letter must be in writing and signed by an authorised representative of each of us. For the avoidance of doubt and in amplification of the immediately preceding clause, any modification of the engagement letter will include any modification of these standard terms and conditions and *vice versa*. No variation of the engagement letter will be of any force or effect, unless reduced to writing and signed by all of the signatories thereto. By implication, no variation of these standard terms and conditions 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 these standard terms and conditions, 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.

DEFINITIONS

For purposes of the engagement letter and these standard terms and conditions, the following words and/or phrases will, unless the context clearly indicates otherwise, have the meanings set out below:

'BDO' or **'we'** or **'us'** or derivatives thereof: the BDO contracting party identified in the engagement letter.

'BDO Member Firms': those firms considered a BDO member firm, both locally and internationally, by virtue of a license or other agreement with BDO International Limited, with **'BDO Member Firm'** meaning any one of them.

'BDO persons': BDO and, where applicable, each and all of BDO's directors, employees and agents, as the case may be, together with any other natural or juristic person, association, partnership, trust or other entity controlled or owned, directly or indirectly, by BDO or associated with BDO, including, where applicable, BDO Member Firms, and each and all of its directors, employees and agents, with **'BDO person'** meaning any one of them.

'colleagues' or **'a colleague'**: collectively or individually, BDO persons who are not members of the engagement team.

'engagement team': collectively or individually, the BDO persons who are involved in delivering the services.

'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 in terms of the engagement letter and, where and if

applicable, those additional services required by you from us.

'you' (and derivatives thereof) or 'the Client': the contracting party or parties identified in the engagement letter, collectively or individually, as the case may be, being the Client of BDO.

THE AUDIT

The audit will be performed with the objective of expressing an opinion on your financial statements.

We will conduct our audit in accordance with the International Standards on Auditing. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making our risk assessment, we consider internal controls relevant to your preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal controls. In addition to our report on the financial statements, we expect to provide you with a separate report concerning any significant deficiencies in accounting and internal control systems which come to our attention during the course of our work. Our review of internal financial control systems is only performed to the extent required to express an opinion on your financial statements and therefore our comments on these systems will not necessarily address all possible improvements that could be suggested as a result of a more extensive special investigation.

Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that some significant deficiencies may remain undiscovered.

OUR INDEPENDENCE AND QUALITY CONTROL

We are required to comply with the independence and other ethical requirements of the Code of

Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ('IRBA Code' or 'Code'), which is founded on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Parts A and B)*.

We apply the International Standard on Quality Control 1 and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable regulatory requirements.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

We remind you that the responsibility for the preparation of your financial statements, including adequate disclosure in accordance International Financial Reporting Standards, International Financial Reporting Standards for Small and Medium-Sized Entities (South African Statements of Generally Accepted Accounting Practice), as the case may be, is that of your directors. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the Client. We have a professional responsibility to report if the financial statements do not comply in any material respect with the applicable accounting standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified, we consider:

- (a) whether the departure is required in order for the financial statements to achieve fair presentation in all material aspects;
- (b) whether adequate disclosure has been made concerning the departure.

Our professional responsibilities also include considering whether other information in documents containing audited financial statements is consistent with those financial statements.

REPORTABLE IRREGULARITIES

In terms of Section 45 of the Auditing Profession Act, 2005 (Act No. 26 of 2005), as amended ('Auditing Act'), we are required by law to report directly and without delay to the Independent Regulatory Board for Auditors ('Regulatory Board'), should we be satisfied or have reason to believe that a 'reportable irregularity' has taken place or is taking place in respect of an entity of which we are the auditors. Within 3 (three) calendar days of sending the report

to the Regulatory Board, we are obliged to notify the members of the management board of the entity, in writing, that such a report has been submitted.

Within 30 (thirty) calendar days of sending the first report to the Regulatory Board, the report will be discussed with the management board, at the end of which period a second report must be sent to the Regulatory Board setting out the outcome of these discussions which should contain a statement that we are of the opinion that i) no reportable irregularity is taking place; or ii) the suspected reportable irregularity is no longer taking place and that adequate steps have been taken for the prevention or recovery of any loss as a result thereof; or iii) the reportable irregularity is continuing. In the event that a reportable irregularity is continuing, the Regulatory Board must notify any appropriate regulator in writing giving details of the reportable irregularity.

PROFESSIONAL OBLIGATION TO RESPOND TO NON-COMPLIANCE WITH LAWS AND REGULATIONS IN TERMS OF THE IRBA CODE

We have a professional obligation to act in the public interest, and to act in order to: (i) enable you to rectify, remediate or mitigate the consequences of any identified or suspected non-compliance with laws or regulations as described in the Code; or (ii) deter the commission of the non-compliance or suspected non-compliance with laws or regulations where it has not yet occurred.

“Non-compliance with laws or regulations (‘non-compliance’) comprises acts of omission or commission, intentional or unintentional, committed by a client, or by those charged with governance, by management or by other individuals working for or under the direction of a client which are contrary to the prevailing laws or regulations.”

Where we encounter non-compliance or suspected non-compliance we will seek to obtain an understanding of the matter. Where appropriate, we will discuss the matter with you at the appropriate level of management, or those charged with governance in order that such persons can take appropriate action to rectify, remediate or mitigate the consequences of the non-compliance, deter the commission of non-compliance where it has not yet occurred or disclose the matter to an appropriate authority where required by law or regulation or where considered necessary in the public interest, having regard to the appropriateness of the response of management and, where applicable, those charged with governance and other relevant factors in accordance with the Code.

We, in encountering non-compliance or suspected non-compliance, are also obliged to comply with applicable legislation or professional standards,

which may require us to disclose the matter to an appropriate authority, including the reporting of reportable irregularities.

We also have a professional responsibility to consider whether your response to the instance of non-compliance or suspected non-compliance is adequate, and may determine that further action is necessary. Such further action may include, among other actions, the disclosure of the matter to an appropriate authority. We will disclose the matter to an appropriate authority only where, in the professional judgement of the engagement partner, the extent of the actual or potential harm that is or may be caused to you, investors, creditors, employees or the general public is sufficient to justify the disclosure.

In exceptional circumstances, we may be required to immediately disclose the matter to an appropriate authority where we have become aware of actual or intended conduct that we have reason to believe would constitute an imminent breach of law or regulation that would cause substantial harm to you, investors, creditors, employees or the general public. In such circumstances we will discuss the matter with the management or those charged with governance, where it is appropriate to do so.

DOCUMENTS ISSUED WITH THE FINANCIAL STATEMENTS

To assist us with our audit of your financial statements, we request early sight of all documents or statements, including the chairman’s statement and managements’ reports that are to be issued with the financial statements.

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

Audit matters of governance interest are those matters that arise from the audit of financial statements and, in our opinion, are both important and relevant to the directors in overseeing the financial reporting and disclosure process. Audit matters of governance interest will be communicated to those charged with governance.

We will communicate only those matters of governance interest that have come to our attention as a result of the performance of the audit. We are not required to design procedures for the specific purpose of identifying matters of governance interest.

DETECTION OF FRAUD AND ERROR AND NON-COMPLIANCE WITH LAWS AND REGULATIONS

The primary responsibility for safeguarding your assets and the prevention and detection of fraud, error and non-compliance with laws or regulations

rests with those charged both with governance and with management. It is the responsibility of those charged with governance to ensure, through supervision of management, that you establish and maintain internal controls to provide reasonable assurance with regard to the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. It is the responsibility of management to establish a control environment and maintain policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of your business.

Our audit is planned and performed so that we have reasonable, but not absolute, assurance of detecting material misstatements in the financial statements or accounting records, including any material misstatements resulting from fraud, error or non-compliance with laws or regulations. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not give rise to a material misstatement of the financial statements. It is important to recognise that there are inherent limitations in an audit. For example, we do not examine evidence supporting every transaction, and although we obtain an understanding of the accounting systems and related controls to assist us in designing our audit, we study and evaluate only those controls on which we intend to rely.

Thus irregularities, if they exist, may not be detected if there is deliberate concealment of forgery to prevent their detection. However, we will communicate any illegal acts, material errors, identified fraud or information that indicates that a fraud may exist, identified during our audit, to the appropriate level of management as soon as practicable.

SUBSEQUENT EVENTS

Once we have issued our report, we have no further direct responsibility in relation to the financial statements for that financial year. However, we expect management will inform us of any event/events occurring between the date of our report and the date of issue of the financial statements that may affect the financial statements.

REPORTING TO THIRD PARTIES

Our audit opinion is intended for the benefit of those to whom it is addressed. The audit will not be planned or conducted in contemplation that reliance will be placed on it by any third party or with respect to any specific transaction. Items of possible interest to a third party will therefore not be specifically addressed, and matters may exist that

would be assessed differently by a third party in connection with a specific transaction.

There may be situations, for example, in relation to loan agreements, where a third party requests us, in our capacity as auditors, to report to them. Any contractual arrangements between you and a third party, which seek to impose such requirements upon us, will not, as a matter of law, be binding on us. Depending on the circumstances, however, we may agree to provide reports to third parties, but not in our capacity as auditors.

Any such requirements must be discussed with us at the earliest opportunity and well before any loan or other agreement is to be finalised. In this regard, it is not our policy to extend our duty of care beyond that arising from our audit report on the annual financial statements.

RESPONSIBILITY RELATING TO THE DISTRIBUTION OF OUR AUDIT OPINION

If you intend to publish or reproduce, in printed form or electronically, our report together with the financial statements or otherwise make reference to BDO in a document that contains other information, management is obliged to:

- (a) provide us with a draft of such document; and
- (b) obtain our written approval for the inclusion of our report or the reference to our name in such document before the document is finalised and distributed.

The above specifically includes, but is not limited to, interim, preliminary or provisional reports released to the public on SENS or in the press and annual reports distributed to shareholders.

By giving our consent to the issue of our opinion with the financial statements on your or any other website we do not accept any duty of care and we deny and disclaim any liability beyond our statutory duties as auditors. As auditors, we will review the process by which the financial statements to be published electronically are derived from the financial information contained in the manually signed financial statements, check that the proposed electronic version is identical in content with the manually signed financial statements and check that the conversion of the manually signed financial statements into an electronic format has not distorted the overall presentation of the financial information, for example, by highlighting certain information so as to give it greater prominence.

You are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for

electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission. We remind you that the examination of controls over the maintenance and integrity of the company's website is beyond the scope of the audit of the financial statements, and if your Statement of Directors' Responsibilities does not include a reference to this, we will include it as a note at the end of the electronic version of our auditors' report.

We accept no responsibility for any changes that may occur in the financial statements once they are presented on the website. However, if we do become aware of any subsequent amendments, we will notify the directors that the financial statements no longer correspond with the manually signed financial statements. For the avoidance of doubt, there is no obligation on us to check the financial statements once they are presented on the website or distributed.

We reserve the right to withhold consent to the electronic publication of our report if the audited financial statements or the auditors' report are to be published in an inappropriate manner, or to request amendments to the electronic auditors' report if we are not satisfied with the proposed wording or its presentation in the context of the financial statements.

REPRESENTATIONS BY MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

As part of our normal audit procedures, we will request those charged with governance to provide written confirmation of facts or judgements which are not themselves recorded in the accounting records and any other oral representations that we have received from management during the course of our audit that are considered to have a material effect on the financial statements.

We shall also confirm therein that all important and relevant information has been brought to our attention, if applicable.

We shall include in or attach to the management representation letter, a summary of unadjusted audit differences and request that management acknowledges that they have considered the financial statement misstatements brought to their attention by us and has concluded that those unrecorded misstatements are not material to the financial statements taken as a whole.

MEETINGS

To provide an opportunity for you and the audit committee or those charged with governance, as the case may be, to discuss the matters raised in our various reports, we expect to attend the audit

committee meetings prior to the commencement of our audit and before the announcement of the interim and annual results. We are also entitled to attend all your general meetings of shareholders and to receive notice of all such meetings.

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES

BDO is not a registered financial services provider and does not provide a financial service as contemplated in the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), as amended. Should any financial service be provided, this is co-incidental and informal. BDO does not intend that any such advice be acted upon. If financial advice is required we can refer a registered financial adviser to you.

SERVICE DELIVERY

We shall seek to ensure that our service to you 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 director identified in the engagement letter.

Our appointment, the engagement letter and these standard terms and conditions will be governed by and interpreted in accordance with the laws of South Africa. The courts of South Africa will have exclusive jurisdiction in relation to any matter arising from our appointment, the engagement letter and these standard terms and conditions.

Where individuals are specifically named in the engagement letter, we shall use our reasonable endeavours to ensure that they are so involved. We may substitute those so named for others of equal or similar skills should we deem it necessary or appropriate to do so, but we shall endeavour to consult you before doing so.

OTHER SERVICES AND RESPONSIBILITIES

We may acquire sensitive information concerning your business or affairs in the course of delivering the services, which constitutes personal, trade, business or industrial information not generally known ('**confidential information**'). We shall comply with the confidentiality standards of our regulatory bodies, the Regulatory Board and the South African Institute of Chartered Accountants, as well as legislation contained in the Auditing Act. This restriction 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.

Prior to completion of the services we may supply oral, draft or interim advice or reports or presentations, but in such circumstances our final written advice or our final written report shall take precedence. No reliance shall be placed by you 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 will inform us and we shall, where appropriate, supply documentary confirmation of the advice concerned.

We shall not be under any obligation, in any circumstances, to update any advice, report or any other 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 in the body of the engagement letter.

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 will not be copied, referred to or disclosed, in whole (save for your own internal purposes) or in part, without our prior written consent. The services shall be delivered on the basis that you will 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 purposes of seeking advice in relation to the services, provided that when doing so you inform them that:

- disclosure by them (save for their own internal purposes) is not permitted without our prior written consent; and
- we accept no responsibility or liability whatsoever; and
- we owe no duty of care to them in connection with the services.

Any advice, opinion, statement of expectation, forecast or recommendation supplied by us as part of the services shall not amount to any form of guarantee that we have determined or predicted future events or circumstances.

It may become necessary to change the scope of our services to include matters you may deem appropriate. You will discuss and agree such changes with us, which will include the payment of any additional fees and the period for provision of any additional services. Significant variations in the scope of our services, at your instance, will be the subject of a supplementary engagement letter.

PROCESSING OF PERSONAL DATA AND DATA TRANSFER

Where necessary to enable us to deliver the services, you may provide us with, or we may have access to, information relating to an identified or identifiable individual ('personal data').

In making personal data available to us, you confirm that you have complied with the applicable data protection laws, including but not limited to the South African Protection of Personal Information Act, 2013 (Act No. 4 of 2013), as amended, and the European Union's General Data Protection Regulation ('GDPR') and all other applicable laws in relation to personal data ('Data Protection Laws').

When we process personal data on your behalf in the performance of our services, we shall:

- only process data on your documented instructions, except where required by law or the order of competent court or tribunal;
- ensure that personal data is processed in accordance with applicable Data Protection Law and any other relevant laws and where we act as a processor, notify you if any instruction infringes any Data Protection Law to which we are subject to;
- take all reasonable steps to ensure that the personal data is protected against misuse and accidental loss or disclosure, and from unauthorised or unlawful processing, destruction or alteration, and in case of any personal data breach (as defined by the applicable Data Protection Law) we will notify you without undue delay upon becoming aware thereof;
- not, as a rule, subcontract our processing of personal data to any other person, unless it be to BDO authorised personnel, including BDO Member Firms in other jurisdictions or third parties who are bound by appropriate confidentiality and security obligations consistent with the terms of this clause, without your prior written consent;
- notwithstanding the contents of immediately preceding sub-clause, only disclose personal data to BDO authorised personnel to the extent that they have a need to know for the purpose of providing the services and are subject to appropriate obligations of confidentiality;
- answer your reasonable enquiries to enable you to monitor our compliance with this clause and provide you with reasonable assistance to enable you to comply with applicable Data Protection Laws;

- upon termination or expiry of the engagement letter and these standard terms and conditions, promptly return to you or, if requested by you, destroy all copies of the personal data, in which case any right to use, copy or disclose that personal data will forthwith cease, subject to legislative, regulatory or internal company policy requirements for the retention of personal data for periods of time after the processing has ceased.

Where we process personal data that originates from a jurisdiction where the applicable Data Protection Law requires additional safeguards to be put in place for the protection of that data, or we transfer personal data from such a country (either to other BDO Member Firms, or third parties) we shall take such steps as you reasonably require, including entering into contractual clauses to meet the requirements of the applicable Data Protection Law.

If, due to the nature of the services described in the engagement letter or with your consent, we determine the purpose and means of all or any of the processing of personal data, we shall comply with the applicable Data Protection Laws when we do so.

For purpose hereof, 'personal data' means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

OWNERSHIP OF WORKING FILES AND INTELLECTUAL PROPERTY

We shall at all times retain all intellectual property rights, including but not limited to copyright, in the product of our services, whether oral or tangible, as well as ownership of our working papers and the files created by us during the course of delivering our services, including electronic documents and files. For the purpose of delivering services to you or other clients, we shall be entitled to use or develop knowledge, experience and skills of general application gained through performing the services. You are obliged to and will keep confidential any methodologies and technology used by us to carry out our services.

You grant us the right to use your name as a reference in proposals or other similar submissions

to other prospective clients, unless you specifically forbid such disclosure. If we wish to use details of the work done for you for reference purposes, we will obtain your prior permission therefor.

PROFESSIONAL FEES

Our fees, together with disbursements, will be billed as work progresses, and are based on the time required by the resources assigned to the engagement, plus out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. Invoices are payable on presentation.

VAT will be charged on all fees and disbursements at the prevailing statutory rate, from time to time, together with any other foreign taxes that might be payable thereon ('fees'). VAT may qualify for a deduction as input tax by registered vendors.

Disbursement in respect of travelling expenses, photocopies, stationery, revenue stamps, postage and telephone calls will be recovered at our predetermined rates, which vary from time to time.

You shall notify us not later than 48 (forty-eight) hours before the planned commencement of an audit, should it be your intention to cancel, postpone or in any other way delay commencement of the audit. Should such notification be given less than 48 (forty-eight) hours prior to the commencement date of the audit, we reserve to ourselves, the right to account to you for any loss or costs incurred by us arising from such late notification. Such loss and/or costs will be directly related to the standing time of resources that would otherwise have been allocated to other projects. The hourly rates that will apply in such an instance will be those stated in the engagement letter.

All payments to BDO for services shall be made against BDO's invoices which shall be presented during or after the period of the provision of the services in respect of services provided.

Our fees are based on the time spent on your affairs by BDO persons or agents, as the case may be and on the levels of skill and responsibility involved, the nature and complexity of the engagement. The fees may differ from estimates which shall 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 and additional fees may also be as a result of material changes in the services or difficulties in obtaining information which could not reasonably have been foreseen.

Our fees are payable without any right of set-off. If you are not in agreement with any fee note or

invoice, you are required to notify us in writing of your objection within 21 (twenty one) calendar days of the date reflected on the fee note or invoice. Failure to do so will constitute your acknowledgement that our fee note or invoice is *prima facie* correct and due and payable.

In the event of your appointing another auditor in our stead, or otherwise terminating our appointment, we shall be entitled to raise a fee note or 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 us handing over books and records to you or to your appointee.

INTEREST

We shall be entitled to charge interest at the rate of 2% (two percent) per month from time to time on all overdue amounts, for whatsoever reason, outstanding for more than 30 (thirty) calendar days from the date reflected on our fee note or invoice. It is agreed that we may, at any time, increase or reduce the interest rate by the same margin as and in accordance with a change in the prescribed rates determined by the National Credit Act, 2005 (Act No. 34 of 2005), as amended. To the extent the interest rate we are entitled to charge exceeds the interest rate we are permitted to charge in law, such interest rate shall automatically be reduced to comply with the maximum interest rate we are permitted to charge in law.

Such interest will be calculated, accrued and compounded on a monthly basis. All payments will be allocated first to interest, then to disbursements and then to the oldest outstanding fee.

COSTS AND COLLECTION COMMISSION

Should you fail to pay an invoice on due date and we have to instruct our attorneys to recover the outstanding amount on our behalf, then notwithstanding that such action may not involve the issue of process through any court, you will be liable for all legal costs incurred by us, on demand, including collection commission, attorney and own client costs and tracing charges.

YOUR RESPONSIBILITIES

You will be responsible and accountable amongst others for:

- the management, conduct and operation of your business and affairs;
- any representations made by you to third parties, including but not limited to published information;

- the maintenance of the accounting records, the preparation of annual financial statements and the safeguarding of the assets;
- ensuring that the appropriate policies are adopted and the prescribed procedures are adhered to for the prevention of errors and irregularities, including but not limited to fraud and illegal acts;
- the use of, extent of reliance on or implementation of advice or recommendations supplied by us or other products of the services;
- making any decision in respect of our services delivered or any use of the product comprising our services;
- the delivery, achievement or realisation of any benefits directly or indirectly related to our services that require implementation by you; and
- ensuring that all arrangements are made for access, security procedures, virus checks, facilities, licences and/or consents (without any cost to us), where you require us, or the nature of our 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.

WORKING FOR OTHER CLIENTS

We will not be prevented or restricted by virtue of our relationship with you, including anything in the engagement letter, from providing services to our other clients. Our standard internal control procedures are designed to ensure that client confidentiality is maintained.

INFORMATION

To enable us to perform our services, you are required to and will use your best endeavours to procure and promptly supply, when or where required by us, all information and assistance, which includes access to all documentation in your possession, custody or under your control, including in the possession or custody of personnel under your control. Where such information and/or documentation is not in your possession, custody or under your control, you will use your best endeavours to procure the supply of the information and assistance and/or access to all the applicable documentation.

You will inform us of any information or developments which may come to your attention

during the duration of our appointment, which might have a bearing on or be relevant to our services.

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').

You authorise us to communicate with you by electronic mail. By doing so, you accept the inherent risks of such communication, including but not limited to the security risks of the interception of or unauthorised access to such communications, the risk of corruption of such communications and the risk of viruses or other harmful devices. You will perform regular virus and other checks to prevent the foregoing. The electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed or incomplete, or arrive late or otherwise be adversely affected or unsafe to use. Whilst we will use commercially reasonable procedures to check for the most commonly known viruses before sending information electronically, neither BDO nor its directors, employees, agents or servants will have any liability to you on any basis, whether in contract, delict (including negligence) or otherwise, in respect of any error or omission arising from or in connection with the electronic communication of information to you, including your reliance on such information.

If the communication on which you wish to rely relates to a significant matter and you are concerned about the possible effects of electronic transmission, you should request a hard copy of such communication from us. If you wish us to password-protect all or certain documents transmitted electronically, you should discuss this with us and we will make appropriate arrangements.

We may receive information from you or from other sources in the course of delivering the services and:

- we shall consider the consistency and quality of information received by us;
- we shall not seek to establish the reliability of information received from you or any other information source - we assume no responsibility and make no representation with respect to the accuracy, reliability or completeness of any information provided to us; and
- we shall not be liable to you for any loss or damage of any nature or kind 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.

You undertake to and will supply information in response to our enquiries to enable us to comply with our statutory obligations in terms of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001), as amended, and the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998), as amended.

KNOWLEDGE AND CONFLICTS

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 any information to you, whether known to them personally or known to colleagues, which is confidential to another client.

We or other BDO 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 our services are specifically and directly related ('adversarial conflicts'). We seek and shall continue to seek to identify adversarial conflicts. If you know or become aware of any which may arise, you will be required to inform us promptly.

We shall endeavour to have mechanisms operating between BDO persons designed to facilitate the protection of each client's interests through the use of, amongst other, one or more of the following safeguards: separate teams, geographical separation and operational independence.

We shall not accept an engagement which may give rise to an adversarial conflict for an engagement team. Colleagues may accept such an engagement only where effective barriers exist to prevent the flow of confidential information from the engagement team. The existence of such barriers will constitute full compliance with our duty of confidentiality in relation to adversarial conflict.

We may accept such an engagement only when the adversarial conflict is disclosed to all the parties involved and their consent is obtained.

We or other BDO persons may be approached to advise another party or parties where there is no adversarial conflict, but whose interests compete with yours specifically and directly in relation to the subject-matter of our 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 BDO person is advising or proposing to advise a competing party, you will be required to inform us promptly. In such situations we shall take appropriate measures to ensure that strict confidentiality is maintained in all respects where such confidentiality is warranted.

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 operating we shall 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 detail 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 of appropriate barriers will constitute full compliance with our duty of confidence in relation to competing parties.

Where a party has engaged our services, and during the delivery of our services we are of the opinion, even with the barriers introduced, that your interests or the other party's interests are likely to be prejudiced, we may, after consultation with you, choose to terminate our appointment and we shall be entitled to terminate the services with immediate effect on written notice to you. We shall not be responsible for any costs that you may incur in securing other professional services.

THIRD PARTY RIGHTS

The engagement letter shall not create or give rise to, nor shall it be intended to create or give rise to, any third party rights.

CIRCUMSTANCES BEYOND YOUR OR OUR CONTROL

Neither you nor us will be in breach of our respective contractual obligations nor will either of us incur any liability to the other if we or you are unable to comply with the terms of the engagement letter 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 will be obliged, as soon as reasonably practicable, to notify the other, who will have the option of suspending or terminating the operation of the engagement letter on written notice, which notice will take effect immediately on delivery thereof.

WAIVER, ASSIGNMENT AND SUB-CONTRACTORS

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.

Neither of us shall have the right to assign the benefit or burden of the engagement letter without the written consent of the other, except should we

undergo a merger, demerger, change of international audit brand, dispose of our audit practice or be acquired by another audit practice.

We shall have the right to appoint sub-contractors to assist us in delivering our services.

EXCLUSIONS AND LIMITATIONS OF OUR LIABILITY

The following exclusion and limitation provisions must be read subject to and in accordance with section 46 of the Auditing Act. To the extent the following provisions or any part thereof are or are found to be in conflict with or contravene the Auditing Act, such provisions or the relevant part, as the case may be, will be deemed to be amended only to the extent necessary to comply with the Auditing Act.

Our maximum liability, which will include, for purposes of this limitation, also that of our directors or employees, a BDO contracting party or any body or entity controlled or owned by us or associated with us, in respect of all claims of whatsoever nature or kind, including but not limited to direct or indirect economic loss or damage suffered by you or by other beneficiaries arising out of or in connection with our services, but specifically excluding audit services, will be limited to an amount equal to the lesser of the fees charged or the amount paid for our services in respect of which the claim arises. The maximum liability shall be an aggregate liability for all claims arising from whatever source and howsoever arising, whether under the law of contract, delict or otherwise, including but not limited to statute.

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 BDO persons in contract or delict or under statute or otherwise, for any indirect or consequential economic loss or damage (including loss of profits) suffered by you (or by any such other party) arising from or in connection with our services, however the indirect or consequential economic loss or damage is caused, excluding our wilful or grossly negligent misconduct, will be excluded to the extent that such limitation is permitted by law.

We will not be liable to you or any cessionary or third party claiming through or on behalf of you for any punitive damages whatsoever or for any consequential or other loss or damages beyond the maximum liability specified, to the extent that such an exclusion of liability is permissible in law.

You will indemnify us and hold us harmless against all and any claims made against us by any party in respect of any loss, damage, costs or expenses

referred to above and against the actual costs incurred by us in defending such claims.

In determining our liability, for purposes hereof, a court or an arbitrator must limit our liability to that proportion of the loss or damage suffered by you which is ascribed to us by such court or arbitrator allocating a proportionate responsibility, having regard to your contribution to the loss or damage in question or that of any other person, based upon relative degrees of fault - it being a term of the engagement letter that the provisions of Section 1 of the Apportionment of Damages Act, 1956 (Act No. 34 of 1956), as amended, will apply to all claims between us and that 'breach of contract' and 'damages' or 'losses' as used herein shall be deemed to fall within the meaning of 'fault' and 'damage' as contained in the said section of the aforestated Act.

Our liability to you shall in no circumstances exceed the lower of the amount determined by the application of the monetary limit provided for above and the amount determined by the apportionment of responsibility as the case may be.

You and other beneficiaries shall not bring any claim personally against any individual director, employee or agent, as the case may be, of BDO or any body 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 our services, save as may be expressly permitted in terms of any statute. This restriction will not operate to limit or exclude our liability as a company for the acts or omissions of its directors, employees and agents. Any claim by you or other beneficiaries arising from or in connection with our appointment (or any variation or addition to the engagement letter) must be made within 3 (three) years of the date on which you or they became aware, or ought reasonably to have become aware, of circumstances (alleged breach of contract, negligence or other act or omission) giving rise to a claim or potential claim against us. For these purposes, a claim shall be made when court or other dispute resolution proceedings are commenced.

The engagement letter is between you and us only, and the following provisions will apply where, and to the extent, permitted by applicable law:

- If one of our colleagues carries out any work for you in relation to our services to which the engagement letter applies, our colleagues will do so as our sub-contractors, with us remaining responsible to you,

including for the work carried out by any of our colleagues.

- Where appropriate, we may use other BDO Member Firms to assist us with the delivery of our services. Notwithstanding that our services may be carried out by other BDO Member Firms, assisting us as supplementary providers of services and as sub-contractors, we shall have sole liability, both for our own acts and/or omissions and also for all acts and/or omissions of any BDO Member Firm, which are sub-contractors. You shall bring no claims or proceedings of any nature whatsoever (whether in contract, delict, breach of statutory duty or otherwise) against any BDO Member Firm, which are sub-contractors, including, without limitation, BDO International Limited, Brussels Worldwide Services BVBA) and/or any other BDO Member Firm in any way arising from, in respect of or in connection with the services or the engagement letter.
- These exclusions shall not apply to any liability, claim or proceeding founded on an allegation of fraud or wilful misconduct or other liability that cannot be excluded under applicable laws.
- Unless otherwise specified, the benefit of the limitation of liability provisions in the engagement letter shall apply equally to us, our colleagues and any BDO Member Firm we may involve as sub-contractors in the delivery of our services.
- Any of our colleagues and any BDO Member Firm who we may be involved as sub-contractors in our services or BDO International entities or other BDO Member Firms shall each have the right to rely on and enforce the provisions of the foregoing sub-clauses as if they were parties to the engagement letter.

THIRD PARTIES

You shall indemnify and hold us and all BDO persons harmless against any loss, damage, expense or liability incurred by us and all BDO persons as result of, arising from or in connection with any one or more of the following 2 (two) circumstances:

- any breach by you of your obligations under the engagement letter; and/or
- any claim made by a third party or any other beneficiaries pursuant to, from or is connected with any such breach.

TERMINATION

Each of us may terminate the engagement letter or suspend its operation by giving 30 (thirty) calendar days' notice in writing to the other at any time or as otherwise agreed between us.

Termination or suspension under this clause will be without prejudice to any rights that may have accrued to either of us before termination or suspension and all sums due to us will become payable in full when termination or suspension takes effect.

We will be entitled to raise a fee note or invoice 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 our services are based to enable us to maintain a professional record of our involvement.

Those terms and conditions, which by their nature should or must survive the termination of the engagement letter, will continue to survive termination for whatsoever cause or reason.

SEVERABILITY

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

CAPACITY

You accept the provisions of the engagement letter 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 engagement letter, as if they had each signed a copy of the engagement letter and agreed to be bound by it. Notwithstanding the foregoing, you will be responsible for payment of our fees.

ARBITRATION

Your signature constitutes agreement to settlement of any dispute, controversy or claim by arbitration in accordance with the Rules of The Arbitration Foundation of Southern Africa.

The arbitration will be held before a single arbitrator - nominated by you and BDO or failing agreement between us within 7 (seven) calendar days after the arbitration has been demanded,

appointed by the Secretariat of The Arbitration Foundation of Southern Africa.

The arbitrator will deliver a written award setting out findings of fact, conclusions of law and the reasons for the decision. The arbitrator's award will be final and binding on both parties to the arbitration and will not be subject to appeal.

STAFF

Our staff undergo periodic training and this, together with the taking of annual leave, may lead to staff turnover and lack of continuity. We shall use our best endeavours to avoid any disruption to an engagement's progress.

You will not make any offer of employment or employ any member of our staff working on an assignment. You will not employ such person or use such a person's services as a consultant, either independently or via a third party, for a period of 6 (six) months following the completion of our services, without our consent.

RECRUITMENT FEE

We reserve the right, but will not be obliged, to levy a recruitment fee of 15% (fifteen percent) (excluding VAT) on the first year's cost to company of any of our staff accepting direct employment with you, or any associate of yours, while under an employment contract or within 3 (three) months of the termination of employment with us.

JURISDICTION

You hereby consent to the jurisdiction of the Magistrate's Court of any district having jurisdiction in terms of section 28 of the Magistrate's Court Act, 1944 (Act No. 32 of 1944), as amended, in any action or application instituted by us against you arising from this engagement letter.