

NOLANDS TERMS & CONDITIONS

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1. Audit

We will conduct our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The audit will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities, as we consider necessary.

In making our risk assessments, we consider internal control relevant to the entity's 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 the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

Our audit will include:

- evaluating the appropriateness of the accounting policies,
- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating of the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with International Standards on Auditing.

Our audit will include such tests as we consider necessary. The nature and extent of our tests may cover any aspect of the business operations, and will vary according to our assessment of what is material in the context of the Company's financial statements and, where we wish to place reliance on it, the effectiveness of the internal control structure.

Our work will be planned in advance and incorporated into an audit plan. This may be varied on the basis of our findings during the course of the audit and from year to year.

Accordingly, we may modify our audit scope, rotate our audit emphasis and propose matters of special audit emphasis, as the circumstances dictate.

The concept of materiality affects our audit planning and our consideration of matters arising from our audit. We take into account both qualitative and quantitative factors when assessing materiality.

Because our responsibilities are to report on the financial statements as a whole, rather than those of individual units or divisions, the nature and extent of our tests and enquiries at each unit or division will vary according to our assessment of its circumstances. Thus, we will carry out limited work at certain units or divisions, rather than the full audit that would be necessary if we were to report on the separate financial statements of the unit or division concerned.

2. Subsidiaries

In carrying out our duties as principal auditors, we shall make such enquiries of any other auditors of the subsidiaries, and review their work to such an extent as we consider necessary to form our opinion on the group financial statements. However, the responsibility to your company, as shareholder, for the audits of such subsidiaries remains with the auditors of the subsidiaries concerned.

3. Detection of fraud, error and non-compliance with laws and regulations

The primary responsibility for safeguarding the assets of the company and the prevention and detection of fraud, error and non-compliance with laws or regulations rests with the director and management.

It is the responsibility of the directors of the company to ensure through oversight of management, that the company establishes and maintains internal control 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 the company's business, i.e. the prevention of errors and irregularities, including fraud and illegal acts.

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 error or fraud that did not cause a material misstatement to the financial statements. Our audit is designed to provide reasonable assurance of detecting errors and irregularities that are material to the financial statements. However, 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.

Due to these inherent limitations, and the inherent limitations of any accounting and internal control system, an unavoidable risk remains that some misstatements may remain unresolved, if they exist. Moreover, because of the characteristics of error, fraud or other irregularities, including concealment through collusion or fraud, a properly designed and executed audit may not necessarily detect a significant irregularity.

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.

Also, should you at any time require a specific investigation for the purpose of providing affirmation with regard to the operation of any aspect of your internal control structure, or for any other purpose, for example, the detection of fraud or error, this would be undertaken at your request.

4. Financial Intelligence Centre Act

In terms of Section 29 of the Financial Intelligence Centre Act we are required by law to report to the Financial Intelligence Centre certain suspicious or unusual transactions of which we become aware, such as those which may involve money laundering, which have no apparent business or lawful purpose, or which may be relevant to an investigation of evasion or attempted evasion of tax. This statutory requirement, which applies to both prospective clients and existing clients, overrides the professional ethics rules of confidentiality, which we observe.

5. Reportable Irregularities

A reportable irregularity in terms of the Auditing Profession Act is any unlawful act or omission committed by any person responsible for the management of an entity, which:

- (a) has caused or is likely to cause material financial loss to the entity or to any partner, member, shareholder, creditor or investor of the entity in respect of his, her or its dealings with that entity; or
- (b) is fraudulent or amounts to theft; or
- (c) represents a material breach of any fiduciary duty owed by such person to the entity or any partner, member, shareholder, creditor or investor of the entity under any law applying to the entity or the conduct or management thereof.

In relation to companies the management board usually comprises:

- (a) The board of directors of the company (including 'shadow' directors) and holding companies in group situations; and
- (b) Any person who in the affairs of the company exercises executive control which reflects the general policy of the company for the time being or which is related to the general administration of the company.

In considering whether a person is responsible for managing an entity an auditor will have due regard both to the published details of the management structure thereof and to the de facto exercise of the requisite characteristics of control and management.

We are required by the Auditing Profession Act, 26 of 2005 (the "APA") to send a written report to the Independent Regulatory Board of Auditors ("IRBA") if we are satisfied or have reason to believe that a reportable irregularity (as defined in the APA) has taken place or is taking place.

We undertake to notify the directors of such action within three days of sending a report to the IRBA. We will subsequently take all reasonable steps to discuss the report with the directors who will be afforded the opportunity to make representations in respect thereof.

We are also required to send a second report to the IRBA, within 30 days from the date on which the initial report was sent, which should contain a statement that we are of the opinion that:

- (a) no reportable irregularity has taken place; or
- (b) 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 result thereof, if relevant; or
- (c) the reportable irregularity is continuing.

If the IRBA receives a report that a reportable irregularity is continuing, they must notify any appropriate Regulator of the details of the reportable irregularity to which the report relates and provide it with a copy of the report.

Should a reportable irregularity have taken place or be taking place our audit report on the financial statements is required to be appropriately qualified.

Nolands requires its staff to report any suspected reportable irregularity to the engagement partner immediately, without delay. Should an employee fail to adhere to this requirement they will face a disciplinary hearing and possible termination of their training contract and/or dismissal.

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 even some material misstatements may remain undiscovered.

In addition to our report on the financial statements, we expect to provide you with a separate letter concerning any material weaknesses, in the accounting and internal control system, which come to our attention.

6. Regulatory and professional obligations

The requirements under regulatory and professional obligations are in addition to the reportable irregularity requirements.

The Directors or employees of the firm have a professional obligation to act in the public interest, and to act in order to:

- (a) enable the Client to rectify, remediate or mitigate the consequences of the identified or suspected non-compliance with law or regulation; or
- (b) deter the commission of the non-compliance or suspected non-compliance with law or regulation where it has not yet occurred.

Non-compliance with law or regulation” (non-compliance) refers to an act of omission or commission, intentional or unintentional, committed by the Client, or by those charged with governance, by management or by other individuals working for or under the direction of the Client which are contrary to a prevailing law or regulation.

Where we encounter non-compliance or suspected non-compliance we will seek to obtain an understanding of the matter and where appropriate will discuss the matter with the appropriate people at the Client, or those charged with governance of the Client in order that such people 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 appropriate authority where required by law or regulation or where considered necessary in the public interest.

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.

We also have a professional responsibility to consider whether the response of the Client 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, amongst 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 judgment of the engagement partner, the extent of the actual or potential harm that is or may be caused to investors, creditors or 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 investors, creditors, employees or the general public. In such circumstances we discuss the matter with the management or those charged with governance of the Client where it is appropriate to do so.

7. Responsibilities of the directors

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;
- (d) the establishment and maintenance of an internal control structure, necessary to provide reasonable assurance that adopted policies and prescribed procedures are adhered to for the prevention of errors and irregularities, including fraud and illegal acts;
- (e) the preparation of the annual financial statements which fairly present the financial position, results of operations and cash flows of the Company, including adequate disclosure in accordance with the applicable accounting framework;
- (f) the preparation of the financial statements on a going concern basis unless it is inappropriate, in which case the necessary disclosures have to be made;
- (g) the adjustment of the financial statements to correct material misstatements;
- (h) the selection and consistent application of accounting policies;
- (i) the safeguarding of assets;
- (j) the use of, extent of reliance on, or implementation of advice or recommendation supplied by us or other product of the services;
- (k) the delivery, achievement or realisation of any benefits directly or indirectly related to the services that require implementation by you;
- (l) ensuring that all arrangements are made for access, security procedures, virus checks, facilities, licenses and/or consents (without any 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;
- (m) apprising us of all allegations involving financial improprieties received by management and directors, and providing timeously full access to us to these allegations and sources of allegations;
- (n) informing us of all directors, management and committee meetings, and all other meetings shareholders are entitled to attend. We are entitled to be heard at any such meeting on any matters that concerns us as auditors;
- (o) providing us with access to all information of which management is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- (p) providing us with additional information that we may request for the purpose of the audit;
- (q) providing us with unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

If we have any comments affecting the form and contents of the annual financial statements, we will discuss these with the directors.

Any withholding of information could be considered as a limitation of the scope of our audit and may prevent us from expressing an opinion on the annual financial statements, cause us to alter the form of the report we may issue or affect our ability to continue as the company's independent auditors.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit. These written representations, responses to our enquiries and results of our audit tests form the evidence we will be relying on in expressing an opinion on your financial statements.

To assist us with our audit of your financial statements, you are also responsible for making available to us, as and when required, all minutes of important meetings, and information and explanations which we consider necessary for the performance of our duties as auditors. We shall also request sight of all documents or statements that are to be issued with the financial statements, and unrestricted access to persons within the company from whom we determine it necessary to obtain audit evidence. We will carry out our work without undue disruption.

Any delay in providing us with the required information may affect our ability to comply with the agreed timetable.

Any time and other expenditure incurred as part of our duties as your Registered Auditor, will be included in our audit fees.

8. Responsibilities of Auditors

We have a statutory responsibility to the shareholders of the company to, at the conclusion of our audit, express an opinion as to whether or not the financial statements fairly present the financial position, results of operations and cash flow information of the company, in conformity with the applicable accounting framework and in the manner required by statute. In arriving at our opinion, we shall *inter alia* consider the following matters, and report on any in respect of which we are not satisfied:

- (a) whether adequate accounting records have been kept by the company;
- (b) whether the annual financial statements are in agreement with the accounting records and returns;
- (c) whether we have obtained all the information and explanations which we consider necessary for the purpose of our audit;
- (d) whether the information given in the directors' report is consistent with the financial statements.

We also have a professional responsibility to report if the financial statements do not comply in any material respect with 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the International Standards on Auditing.

Where we consider it necessary to involve a specialist, e.g. actuary or property evaluator, to express our audit opinion, we will discuss this with you as a separate matter.

9. Staff

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

Save as envisaged below, you agree not to make any offer of engagement or to otherwise interfere with or entice away from the employment of any persons employed by Nolands. You further agree not to use such person's services as an independent consultant or via a third party for a period of 12 months following the end of such person's involvement, without the prior written consent of Nolands.

Should you make any offer of employment to any person currently employed by Nolands or who was employed by Nolands for the immediately preceding 12 month period from the date of such offer of employment, you will be liable for and will pay to Nolands a placement fee equal to 15% of such employee's total annual cost to company, excluding VAT.

Nolands is committed to providing a safe work environment for its employees both inside and outside office work while on company duty. The company will therefore not condone any form of harassment and/or abuse of employees by clients while on client premises.

Nolands will also not condone any form of harassment by an employee of a client while on client premises.

Any complaint of harassment and/or abuse brought to the attention of the company will be dealt with according to the Company Sexual Harassment Policy.

10. Reporting to management

We shall report to management, normally in writing, any significant weaknesses in, or our observations on, the internal control structure and other areas that come to our notice and we consider should be brought to management's attention.

Our review of internal financial control systems is only performed to the extent required to express an opinion on the company's financial statements and therefore our comments on these systems will not necessarily address all possible improvements that might be suggested as a result of a more extensive special examination.

No such report may be provided to a third party without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the company in mind and that we accept no duty or responsibility to any other party.

11. Communications with directors

"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 the management or the audit committee, as necessary.

We will communicate only those matters of governance interest that comes 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.

12. Information

To enable us to perform the services, you will use your best endeavours 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 is not in your possession or custody, or under your control, you will use your best endeavours to procure the supply of the information, assistance and/or access to all the documentation.

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 unauthorised person”).

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.

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.121 of 1998.

13. Representations by management

As part of our normal audit procedures, we will request you 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.

This letter will also confirm that all important and relevant information has been brought to our attention.

In addition, we shall include in or attach to the representation letter a summary of unadjusted audit differences and request that management acknowledges that it has considered the financial statement misstatements brought to its attention by us and has concluded that any unrecorded misstatements are not material to the financial statements taken as a whole.

14. Meetings

To provide an opportunity for you and the audit committee 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 interim and annual results. We are also entitled to attend all general meetings of the company and to receive notice of all such meetings.

15. Documents issued with the financial statements

To assist us with our audit of your financial statements, we shall request sight of all documents or statements, including the chairman's statement, where applicable, and management reports that are to be issued with the financial statements.

International auditing standards require that we read any annual report and other document that contains our audit opinion. The purpose of this procedure is to consider whether other information in the annual report, including the manner of its presentation, is materially inconsistent with information appearing in the financial statements. We assume no obligation to perform procedures to verify such other information as part of our audit.

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 that you will inform us of any material event occurring between the date of our report and the date of issue of the financial statements which may affect the financial statements.

16. Preparation of annual financial statements

We shall prepare the annual financial statements of the company, in accordance with the applicable accounting framework from the information presented to us by the directors. However, management is responsible for both the accuracy and completion of information supplied to us and is responsible to users for the financial information compiled by us. We will draft the relevant wording and numerical disclosures for the annual financial statements to comply with the applicable accounting framework and statute. It is your responsibility to provide us with complete, accurate and relevant information sufficient to enable us to carry out our responsibilities effectively.

Assistance with the preparation of financial statements does not form part of the audit function, but we shall discuss the company's accounting principles with you, particularly in any problem areas, and we may propose adjusting entries for your consideration.

17. Future use of the audit opinion

You agree that our audit report, or reference to us, will not be included in any such offering document without our prior written permission or consent. Any agreement to perform work in connection with an offering, including an agreement to provide such permission or consent, will be a separate engagement and subject to a separate engagement contract.

18. Additional deliverables

The work we undertake to support any conclusions reached in additional deliverables that we have agreed to, will be limited to the work we undertake for reaching our audit opinion. Any advice and recommendations will therefore be limited by the scope of our work, and may not cover all issues which might arise from a specific in-depth review. Any use made of our advice and recommendations should be viewed in this light.

19. Distribution of any service or product

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
- (b) We accept no responsibility or liability whatsoever and neither do we owe any duty of care to them in connection with the services.

20. Third party rights

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.

21. Reporting to third parties

Our audit opinion is intended for the benefit of those whom it is addressed. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

There may be situations for example in relation to loan agreements, where a third party seeks to request 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. The company agrees that it will not seek us to commit to providing reports to third parties unless we have consented to do so in advance. We may decline to provide reports to third parties, save for those reports required by law or regulations. We will stipulate the terms upon which those reports will be provided – should we agree to provide such reports in a capacity other than being your auditors. The entity will assist us in agreeing the terms upon which we will report to third parties. Any such possible requirements must be discussed with us at the earliest opportunity and well before the loan agreement or other arrangement is finalised. In this regard, however, it is our policy not to extend our duty of care in respect of our audit report in the financial statements.

As noted above, our opinion will be prepared for and only for the company's members in accordance with the Companies Act and for no other purpose.

Where we agree to provide reports to third parties, it remains the company's responsibility to provide us with copies of the relevant contract documents and with any further information or explanations that we may require in order to enable us to prepare our report.

We will not, in giving our opinion, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which our report or opinion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our opinion save where they have obtained our prior written consent that they may do so. If we have to accept responsibility to the third party, we will require their acceptance of limitation of liability as a condition of providing a report to them and reserve the right to charge additional fees.

22. Third parties

You will indemnify the Nolands contracting party and any Nolands 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:

- Any breach by you of your obligations under the services contract.
- Any claim made by a third party or any other beneficiaries which results from or arises from or is connected with any such breach.

23. Responsibility relating to electronic distribution of our opinion

We acknowledge that as directors of the company you may wish to publish the company's financial statements and the auditors' report on the company's web site or distribute them to shareholders by means such as e-mail. Your responsibilities concerning the preparation, dissemination and signing of the financial statements do not change simply because the financial statements are reproduced or distributed electronically; it is your responsibility to ensure that any such publication properly presents the financial information and any auditors' report. We request that you advise us of any intended electronic publication before it occurs. Where our audit report is reproduced in any medium, the complete financial statements, including notes, must also be presented.

By giving our consent to the issue of our opinion with the financial statements on the web site we do not accept any duty of care and deny 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 web site and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information. We remind you that the examination of controls over the maintenance and integrity of the company's web site is beyond the scope of the audit of the financial statements and if your directors' responsibilities statements does not include reference to this we will include it as a note at the end of the electronic version of our audit report. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site. 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.

Uncertainty regarding legal requirements is compounded as information published on the internet is accessible in many countries with different legal requirements relating to the preparation and dissemination of financial statements and if the directors' responsibilities statement does not refer to this, or if we otherwise consider it appropriate, we will include a note describing this uncertainty at the end of the electronic version of our audit report.

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.

24. Electronic communications

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 unauthorised access to such communications, the risks of corruption of such communications, the risk of errors or loss of information 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.

We recognise that systems and procedures cannot be a guarantee that transmissions will be unaffected by such hazard.

We confirm that we each accept the risks of and authorise electronic communications between us. We each agree to use commercially reasonable procedures to check for the then most commonly known viruses before sending information electronically. We shall each be responsible for protecting our own systems and interests in relation to electronic communications and the company and us (in each case including our respective directors, employees or agents) shall have no liability to each other on any basis, whether in contract, delict (including negligence) or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between us and our reliance on such information.

The exclusion of liability in the previous clause shall not apply to the extent that any liability arises out of acts, omissions or misrepresentations which are in any case criminal, dishonest or fraudulent on the part of our respective directors, employees, or agents.

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.

25. Reporting

At the conclusion of our audit, we will express an opinion as to whether or not the financial statements fairly present the financial position, results of operations and cash flow information of the company, in conformity with the applicable accounting framework, and in the manner required by statute.

The form and content of our report may need to be amended in the light of our audit findings.

26. Use of Nolands' software

We may develop software, including spreadsheets, documents, databases and other electronic tools to assist us with our assignment. In some cases these aids may be provided to you upon request. As these tools were developed specifically for our purposes and without consideration of any purpose for which you might use them, they are made available on an "as is" basis for your use only and should not be distributed to or shared with any third party. Further, we make no representations or warranties as to the sufficiency or appropriateness of the software tools for any purpose for which you may use them. Any software tools developed specifically for you will be covered under a separate engagement letter.

27. Ownership of and access to audit files

The working papers and files for this engagement created by us during the course of the audit, including electronic documents and files, are the sole property of Nolands, and you have no right to access them. We may decide, at our own discretion, to grant you access to our working papers, should you wish to.

We have set quality control policies for the retention of documentation, after which time we will commence the process of destroying the contents of our engagements files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement.

We will retain ownership of the copyright and all other intellectual property rights in the product of the services, whether oral or tangible. 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. If you wish to distribute copies of any of these materials, this will require our prior written permission.

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 reference purposes, we will obtain your permission in advance.

28. Circumstances beyond our or your control

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.

29. Exclusions and limitations on our liability

Save for any exclusions provided for in Section 46 of the Auditing Profession Act, 2005, the maximum liability of us or any individual partner, member, or employee, as the case may be, of ours in respect of direct economic loss or damage suffered by you or by other beneficiaries arising out of or in connection with the services shall be limited to two times the fees charged and paid for these services. The maximum liability will be an aggregate liability for all claims arising, whether by contract, delict, negligence, or otherwise.

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 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.

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.

You and other beneficiaries may not bring any claim personally against any individual partner/director, member, employee or agent, as the case may be, of the Nolands contracting party or of any other 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 the services. You agree that any claim of any sort whatsoever arising out of or in connection with this engagement shall be brought only against Nolands. This restriction shall not operate to limit or exclude the liability of Nolands contracting party for the acts or omissions of its partners, directors, members, employees and agents.

Any claims, by you or other beneficiaries, howsoever arising, must be made (for these purposes a claim shall be made when court or other dispute resolution proceedings are commenced), formally within two years of the date on which the party bringing the claim became aware (or ought reasonably to have become aware) of the circumstances or facts which give rise to a claim or potential claim against us, and, in any event, no later than two years after any alleged breach of contract, negligence, delict or other cause of action.

30. Timetable

We will agree on a timetable to enable you to meet your statutory obligations to issue annual financial statements and to meet any other deadlines you have brought to our attention. However, any such timetable will be based on the assumption that we will receive the appropriate co-operation and assistance to perform an effective and efficient audit.

31. Fees

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.

Our fees are based on the time spent on your affairs by our partners and staff, and on the levels of skill and responsibility involved, the nature and complexity of the services, and the resources required to complete the engagement. These 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 reasonable have been foreseen. These will be agreed with you before they are billed. Our fees, plus expenses, will be billed at appropriate intervals during the course of the year and settlement is due on presentation of our invoices.

Fees are calculated either:

- (a) on an hourly basis at charge-out rates applicable to the person undertaking the work. Stringent reporting requirements or deadlines imposed by you might require work to be carried out at a higher level than usual or in extreme cases outside normal working hours. This will result in increased costs. Our current maximum and minimum rates for normal work within normal working hours applicable from time to time may be obtained on request; or
- (b) on a tariff basis for taxation or Company secretarial services. These rates are available on request at the time matters are specifically referred to us.

Time spent on the telephone is recorded and charged at normal rates. Outlays in respect of travelling expenses, photocopies, stationery, revenue stamps, postages and telephone calls will be recoverable at cost to us at our predetermined rates.

Our fee estimate is based on the assumption that the information we require is made available to us in accordance with the agreed timetables, and that key executives and personnel are available during the course of our work. If delay or any other problems beyond our control occurs, this may result in additional fees for which invoices will be raised on the above basis.

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.

Delivery of our services shall mean:

- (a) audit and accounting services: five working days after our handing over draft financial statements or upon our handing over final financial statements, whichever is the sooner;
- (b) company and close corporation secretarial services: five working days after our handing to you forms for signature or upon dispatch of documents to the Registrar of Companies/Close Corporations or other authorities, whichever is the sooner;
- (c) taxation services: upon rendering advice or upon dispatch of documents or correspondence to you or SARS authorities, as appropriate;
- (d) consulting and other services: upon rendering advice or upon dispatch of correspondence, as appropriate.

We will be entitled to raise fees upon delivery as set out above. In the event that you are not in agreement with any fee raised you will notify us in writing of your objection within 21 working days of our dispatch of the fee note. Failure to do so will constitute acceptance of the fee. Approval of financial statements or minutes reflecting our fees will constitute acceptance of the fees, including any underprovision which does not warrant redrawing the financial statements.

Notwithstanding anything to the contrary contained herein, should our accrued fees reach a level which we consider to be material such accrued fees will become due and payable immediately upon presentation of our fee note, failing which the rendering of all further professional services will be suspended pending receipt of payment.

In the event of your appointing an alternative firm of accountants in our stead, or otherwise terminating our mandate, we will be entitled to raise a fee upon receipt of such notification for an amount adequate to cover 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 books and records to you or to our successor.

Our fees will be inclusive of VAT which will rank for deduction as input tax by registered vendors.

Subject to the foregoing, our fees are payable on presentation. We will be entitled, subject to our discretion, to charge interest on all amounts outstanding for more than 30 days from the date of presentation of our fee note up to the maximum rate allowed by law. Such interest will be calculated on a monthly basis. All payments will be allocated first as to interest, then as to outlays, then as to the longest outstanding fee.

In the event that invoices are not settled within 30 days of presentation, we reserve the right to charge compound interest monthly at 3% above the prime rate until the debt is settled.

Without prejudice to any other rights that we may have in law, we reserve the right to suspend or terminate the performance of the services or any part thereof to you immediately, at any time, with or without notice, should payment of any of our fees be overdue.

The fees will be subject to review by us each year and will vary with a number of factors including the extent of the assistance we receive from members of staff in preparing routine schedules and analyses.

It is our usual practice to provide estimates of our fees in advance of the work commencing and we shall require payments on account as our work progresses.

32. Referral commission

As a consequence of our relationship with other professionals in various areas of business, we may from time to time receive referral commission from them. Prior to us referring you to such party, our terms of arrangement shall be disclosed to you.

33. 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.

As a requirement of the IRBA to provide excellent quality audit work, we are required to review certain of our files internally. Independent third party reviewers may be utilised to facilitate this process. The person or institution that will be selected by us will be required by us to sign a confidentiality agreement and will treat all information inspected with the strictest of confidence.

34. Non-exclusivity

You hereby acknowledge that we provide a variety of other services to a large and diverse range of clients. The provision of the services to you will not prevent us from providing the same or similar services to other parties, some of whom could be competitors of yours or who may be in conflict with you. You also acknowledge that we 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 interests. These safeguards will include the use of different personnel and other barriers to ensure the confidentiality of information.

35. Taxation services

For the purpose of assessment to normal tax, we shall prepare a computation of taxable income in respect of each accounting period in accordance with the provisions of the Income Tax Act. Subject to your approval, this will then be submitted to SARS after completion of the tax return. We shall respond to any queries raised by the assessor on the computations, reporting to you and advising as necessary on any contentious or disputed matters, whereupon we shall negotiate the agreement of the figures and advise you of liabilities and due dates of payment. We shall lodge notices of objection against excessive or incorrect assessments when such assessment notices are received by us. Objections against assessments are subject to statutory time limits and it is important to ensure that assessment notices and other official notices from SARS are forwarded to

us immediately on receipt. Where appropriate, we shall also advise as to appropriate provisional tax payments.

Your staff will deal with all other statutory tax returns (e.g. Value-Added Tax (VAT), PAYE, SITE, IRP6, forms IT3) but we shall be pleased to advise on any of these matters, if so requested.

We shall be pleased to advise you generally on matters relating to the company's normal tax liability, the implications of particular business transactions, and on related matters which you refer to us, such as employee benefits and pensions (e.g. fringe benefits, share option arrangements, salary structures, pension schemes). You will appreciate that tax planning and advice of even the highest standard are based on interpretation of the law and experience with SARS. Therefore, the conclusions reached and views expressed are often matters of opinion rather than of certainty.

We confirm that it is your responsibility to provide us with complete and accurate information in respect of your taxation affairs. It is not our responsibility to ensure that you provide all relevant information to SARS.

If SARS has not recorded our address as your official postal address, we cannot be held responsible for any penalties or interest on the late submission of returns, or late payments of any taxes if the returns, assessments, and other relevant documents were not timeously presented to us for action.

36. Company secretarial assistance

We shall carry out on behalf of the company the following services:

(a) Maintenance of statutory books

As a company registered in South Africa, the company must keep the following registers and minute books:

- Register of members;
- Register of debenture holders;
- Register of directors and officers;
- Register of pledges, cessions and bonds;
- Register of interests in contracts of directors and officers; and
- Minute books of the proceedings of general and board meetings.

We shall maintain these registers in an up-to-date condition, and in the manner required by the Companies Act. In order to do this, we shall need to be notified of any changes in the following:

- Shareholders, their holdings or addresses;
- Directors or their particulars (i.e. residential address, business occupation, nationality, other SA directorships or their interests in group companies);
- Company secretary or his address;
- Creation, or satisfaction, of charges over the assets of the company; and
- Registered office.

(b) Compliance work

On an annual basis, all companies are required, by law, to lay the annual financial statements of the company before the members at the annual general meeting. In this context, we shall draft the appropriate documents in connection with their formal adoption, as follows:

- Minutes of a board meeting in order formally to approve the annual financial statements for placing before the members;
- Notice (and, where appropriate, waiver of notice) of the annual general meeting.
- Letters of proxy (where necessary); and
- Minutes of the annual general meeting.

(c) Other related services

We shall, of course, be pleased to carry out any additional statutory work or provide advice in this area as and when required.

37. Other services

We can provide other services, such as due diligence investigations, internal auditing, cash flow / profit forecasts and management consulting, etc. Should you wish to engage us for these services, we shall be pleased to discuss these with you. A separate letter(s) of engagement will be issued for these engagements.

38. Use of Nolands Consultants

We may for the purposes of this engagement utilise services of partners, directors, consultants or employees (collectively "Nolands Consultants") of other independent Nolands offices or companies ("Nolands Licensees") to assist us in providing services to you. In such event, any such Nolands Consultants shall be deemed to be acting as our agents and/or consultants (collectively "Our Agents") and not as a partner, director, consultant, employee or agent of any other persons (including Nolands South Africa (Pty) Ltd or any other Nolands Licensees). We shall accordingly be liable for all the activities and advice of the Nolands Consultants as if they in all respects are, or deemed to be (as the case may be), Our Agents. It further follows that no other Nolands Licensees or Nolands South Africa (Pty) Ltd assumes any responsibility to you in connection with this engagement. Accordingly, by engaging us in terms hereof the duly agree to and are bound to the content of this paragraph.

39. 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. However, neither party should be liable in any way for failure to perform or delay in performing, our respective obligations under this engagement if the failure or delay is caused outside reasonable control of the failing party.

Neither of us will have the right to assign the benefit or burden of the services contract without the written consent of the other.

We reserve the right to appoint sub-contractors to assist us in delivering the services, if necessary.

40. Future years

We propose that this engagement letter will be in place until replaced. If circumstances change, we will issue a new engagement letter. Until such time, this letter will be in force even where there is a change in group structure.

This engagement letter is contractual in nature and includes all the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all the parties.