

11 March 2016

Schmidhauser Electrical Holdings (Pty) Ltd  
215 Orient Street  
Arcadia  
Pretoria

Dear Sir

**Acceptance of nomination to Act as Business Rescue Practitioner ("BRP") for Schmidhauser Electrical Holdings Proprietary Limited Registration Number 2009/002480/07 (under Business Rescue)**

## 1. INTRODUCTION

We are pleased to confirm acceptance of our nomination to act as BRP of **Schmidhauser Electrical Holdings Proprietary Limited** ("the Company") in terms of Section 129(3)(b) of the Companies Act 71 of 2008, as amended ("the Act").

We address this letter to you to set out the terms on which we accept the aforesaid nomination (the "Services") to the Company and to address and explain certain relevant provisions of the Act. Deloitte's acceptance of the nomination to act as BRP is subject to our Standard Terms and Conditions of Service set out in Annexure A (the "Terms"). Terms or expressions which are capitalised have the meaning set out in this Letter or the section headed "Definitions" in the Terms.

We confirm that we will attend to our duties as BRP in accordance with the relevant provisions of the Act, which deal with the general powers and duties of a business rescue practitioner.

## 2. OUR SERVICES AND RESPONSIBILITIES

### 2.1 The Engagement Team

**Daniel Terblanche** will be leading this the engagement and will be the lead principal responsible to you for the Services described in this Letter. **Daniel Terblanche** will be responsible for the overall Engagement management and we will draw on other members of our business rescue team as required.

National Executive: \*LL Barn Chief Executive \*AE Swiegers Chief Operating Officer \*GM Pinnock Audit  
DL Kennedy Risk Advisory \*NB Kader Tax TP Pillay Consulting \*K Black Clients & Industries  
\*JK Mazzocco Talent & Transformation \*MJ Jarvis Finance \*M Jordan Strategy S Gwala Managed Services  
\*TJ Brown Chairman of the Board \*MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request

\* Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited



We will use reasonable endeavours to ensure that any individuals identified in this Letter are so involved. However, we may substitute these individuals with other individuals of equal or similar skills and experience.

## 2.2 Scope of our Services

Our responsibilities are set out in the relevant sections of the Act and in the Terms.

In order to ensure that we are able to fulfil our duties as BRPs, your attention is drawn to Sections 142 and 143 and Regulation 128 of the Act which deal with the obligations of the directors of companies in business rescue to co-operate with and assist the appointed BRPs.

In performing our Work we shall be entitled to rely upon and assume, without independent verification, that the accuracy and completeness of all Information is without question.

Our procedures and inquiries will not constitute an audit or review conducted in accordance with International Standards of Auditing.

## 3. CLIENTS' RESPONSIBILITIES

In connection with the provision of the Services, we refer you to the Terms. These confirm, amongst others, your responsibility for the provision of Information in connection with the Services we are to provide.

## 4. FEES AND EXPENSES

In fulfilling our duties as BRPs, we are entitled to remuneration and Expenses (together, "Fees") as dealt with in accordance with Section 143 and Regulation 128 of the Act.

The time-based fees for the BRP's Service will be based on the prescribed tariff for a company with the current staff compliment and gross turnover per annum of the Company, being **R1,500.00 per hour (including VAT) to a maximum of R18,750.00 per day, inclusive of VAT.**

Our Fees will be billed on a monthly basis on the last Friday of the month and it is agreed that settlement of the full amount will take place by no later than the following Monday. Should any of our invoices not be settled in full by the due date, we reserve the right to stop all further Work in our sole discretion until all outstanding amounts have been settled.

The time spent on the Engagement will be dependent upon the availability of the required Information and the level of co-operation we obtain from all concerned. The rates are subject to revision in accordance with the Companies Act and its Regulations and as such Deloitte reserves the right to charge revised rates and will advise you in writing as to any change in the rates.

Please complete the following billing information:

Legal entity to be billed:	
Attention of:	
VAT registration number:	
Physical address:	

It is our policy to require that a deposit be paid into our bank account once the first meeting of creditors has been held and it was decided to continue with the assignment(s), which deposit is held as a security deposit against which outstanding Fees may be offset in the event of non-payment of any of our invoices, should this Engagement be terminated for any reason.

A deposit of **R200,000.00 (Two Hundred Thousand Rand)** is required for purposes of this Engagement.

**5. SUNDRY TERMS**

In the event of this Engagement being terminated for any reason, the provisions of this Letter, and of the Terms will survive such termination and continue to bind the Parties.

No amendment or variation of this Letter shall be permissible, unless reduced to writing and signed by both Deloitte and the Company.

The Terms attached to this Letter will be applicable and will form part of the Agreement between the Parties.

**6. AGREEMENT TO THE TERMS**

Please confirm your agreement with the terms and conditions of this Agreement by initialling all pages of this Letter and the Terms and signing the Confirmation of Acceptance below, and then returning to us a copy of this Letter duly signed by authorised signatories. We are looking forward to acting for you and working with you on this Engagement.

Yours sincerely

  
Daniel Terblanche  
Associate Director  
Deloitte & Touche

**CONFIRMATION OF ACCEPTANCE OF ENGAGEMENT TERMS**

We hereby confirm that the above Letter correctly sets out our requirements and agree to the terms and conditions of the Agreement.

Signed on behalf of the Client being duly authorised thereto by:

Signed .....

Name Schmidhauser

Position Director

Date 14/09/2016