

THE TAXCO CLUB FOR EMPLOYEES

A Comprehensive Tax Solution Membership for Employees.

MEMBERSHIP AGREEMENT

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1. INTERPRETATION

Unless the context requires otherwise, the following words shall have the following meanings wherever they appear in this Taxco Club membership agreement:

active membership, means the period of time prior to the tax event, during which period each and every membership fee due must be received by us on the due date

tax event, means all the acts or omissions forming part of your future tax form submission responsibilities in a particular year, excluding any arrear returns, taxation, penalties and interest payments. A tax event can only take place while you are acting in a personal and private capacity, and must relate only to your personal and private tax affairs

tax professional, means the appropriately qualified person appointed by Taxco to perform the tax solution services for you in terms of this agreement

tax fees, means reasonable fees, costs and disbursements of submissions properly and necessarily incurred by Taxco for the purposes of delivering the tax solution services, all in accordance with the provisions of this Taxco Club Membership Agreement

limit of indemnity, means the maximum amount of tax fees spent by us for all tax events of a member, which amount shall not exceed R2500.00, per annum

Taxco Club member, means the natural person named in the this agreement, who cannot be a legal entity and must be a South African permanent resident or a non-resident be in possession of a valid RSA work permit or who has RSA tax commitments relating to salary or investment income.

proceedings, means the pursuit or defence of civil, criminal, or arbitration proceedings with SARS

fees, means the table of fees set out at the end of this Taxco Club Membership agreement

Taxco, means Taxco Accountants and Tax Consultants Trust IT739/97 who is authorised to market, administer and perform the tax solution services

waiting period, means two full calendar months from date of payment of first membership fee or reinstatement membership fee, during which member services is not fully operative and restricted to certain administrative functions, enquiries and tax advice

we/us/our, means the service provider, being Taxco

you/your, means the Taxco Club member, excluding the Taxco Club member's spouse, children or relations

2. BENEFITS CLAUSE

Taxco Club member details

Full names _____

Identity no. _____

Employer, Occupation _____

Residential address _____

Postal Address

Contact telephone, email and fax number

Taxco will perform such tax solution services to the above member in terms of this Taxco Club membership agreement up to the limit of indemnity for tax events falling within the administration of the South African Revenue Services, occurring during active membership within the Republic of South Africa.

Taxco provides you with immediate **access to unlimited personal tax advice** by means of:

- Telephonic consultations
- Email enquiries
- Face-to-face consultations at our offices with you (where necessary)
- Communications with the South African Revenue Services

Our tax professionals can **assist you** with the following matters:

- Registration as a taxpayer
- Outstanding tax returns
- Salary structuring
- Provisional tax
- Assessment audits
- Assessment objections and appeals
- General tax queries

(All tax work pertaining to past tax periods before the taxpayer became a Taxco Club member is excluded from the Taxco Club benefits, but we will gladly assist you therewith as part of a separate appointment)

Our tax professionals will further complete, process and submit your future personal tax returns electronically and certain other documentation where necessary i.e. provisional tax returns.

We provide you with a detailed calculation prior to submission, keeping you one step ahead.

We keep record of how the submission proceeds with copies of returns, substantiating documents, queries and other applicable records and advise you every step of the way.

We scan and upload your tax documents into a secure TaxBox document vault facility on the internet for viewing and downloading by the Taxco Club member.

We check your SARS assessment for correctness on receipt thereof, and follow up on your refunds and give you general advice on your tax as part and parcel of the tax solution service for Taxco Club members.

Accuracy in managing your tax returns is guaranteed.

3. GENERAL CONDITIONS

Terms and Conditions of Use of the Website and our Services

All Taxco Club members agree to comply with and be bound by the terms and conditions of use of our services and website as displayed on www.taxcotrust.com , which together with our privacy and other policies below govern Taxco's relationship with you in relation to this service , our website, it's content and our other services which you may or may not utilise.

Payment or non-payment of membership fee

This is a monthly agreement and is subject to payment on due date of the monthly membership fee charged from time to time. The first membership fee includes a once-off joining fee due to Taxco. The membership fee must be paid to Taxco. You authorise Taxco to arrange for deduction of the membership fee from your bank or building society account.

Should a membership fee be unpaid on due date, you will have a period of grace of 15 days thereafter to pay the membership fee. Failing that, the Taxco Club membership agreement shall automatically lapse on the said due date and be of no further force or effect thereafter. Failure to pay your monthly fees on due date will result in immediate cancellation of all benefits.

Variations, amendments and communications

This Taxco Club membership agreement or the payment charged may, upon written notification, be amended from time to time. If you are unhappy with the amendment, you may within one month give written notice cancelling the Taxco Club membership agreement, failing which the amendment will come into effect.

Any written communications by us to you will be deemed to have been received by you 3 days after being sent to your last known postal, e-mail or electronic address. Taxco is authorised to make all communications in terms of the Taxco Club membership agreement.

Reinstatement of benefits

If the Taxco Club membership agreement has been cancelled or lapsed due to non-payment of the membership fee, it shall without a new proposal or agreement being submitted, be reinstated upon receipt of the arrear monthly membership fees. While you will keep the same Taxco Club membership agreement number, a new Taxco Club membership agreement will come into effect, resulting in the waiting period becoming once again applicable from date of payment of the reinstatement membership fee. Taxco will be entitled to charge a once-off reinstatement fee.

Cancellation of benefits

This Taxco Club membership agreement may be cancelled, without reasons being given, at any time by either party on written notice. Subject to the terms of this Taxco Club membership agreement, cancellation will not affect the validity of any tax solution services already submitted, but no further request for tax solution services will be accepted. We may cancel your membership, without giving reasons, at any time on written notice to your last known postal, email or electronic address.

Variation of agreement terms and assignment

No variations of the benefits provided by this Taxco Club membership agreement will be accepted by Taxco, unless agreed to by us in writing. Any representations made contrary to the provisions of this Taxco Club membership agreement will not be binding on Taxco.

Taxco may freely assign the rights and obligations hereunder to any other party, provided that such other party undertakes to provide tax solution services and benefits to you that are no less favourable to you than that provided by Taxco.

Death

This Taxco Club membership agreement shall cease upon the death of the member, and no further claims may be submitted other than for a final tax return for the part tax period up to the date of death. The tax consequences of the member's estate does not form part of this Taxco Club membership agreement.

Limitation of liability

Whilst Taxco will endeavour to provide accurate advice and tax services, neither Taxco, their employees, agents, or representatives or contractors shall be liable for any damages or consequential damages that may arise out of or in connection with any advice given or work done (or not given or done) or any standard document/contract drafted or made available

by any of the aforementioned (or the tax professional), notwithstanding any mistake, error of judgement or negligence.

Timing of services

Taxco Accountants and Tax Consultants Trust (hereafter referred to as we/us/our) will provide you with tax advice, during office hours on work days, as follows:

Mon to Thurs:	9:00am to 4:30pm
Fridays:	9:00am to 12:00pm

Use of services

The tax solution services may be used by the Taxco Club member as often as you like. In the event that all our advisors are busy when you call for assistance, your call will be logged and returned within a reasonable time. If we are required to telephone you, you will provide a local land-line number where we can call you, failing which you will call us back immediately after we have contacted you.

Local tax service

The tax solution services are restricted to the South African Revenue Services Tax Administration system for matters occurring in the Republic of South Africa.

Membership

Membership is restricted to natural persons who are South African residents or in possession of a valid work permit. Membership is not open to companies, close corporations, trusts, partnerships, or other legal persona, or to businesses (even if they are sole proprietorships).

Business matters

Advice on business tax matters will be limited to a reasonable amount of telephonic advice to assist the member in relation therewith to his personal taxes.

Written representations

Where necessary, and in our discretion, we will write letters on your behalf or telephone third parties to try to resolve your particular tax problem.

4. EXCLUSIONS

The Taxco Club membership agreement does not cover tax services based upon, or relates to any of the following:

- a tax event which commenced prior to your becoming covered under this agreement or prior to the expiry of any waiting period i.e. previously due Income tax or provisional tax returns.
- a venture for gain, a transaction or undertaking where there is a profit motive, or your conduct of any business (without limiting the foregoing, included hereunder is any claim relating to you in your capacity as a landlord, or anything relating to patent, trademark, or copyright).
- any return whereof the submission date has expired prior to the waiting period of this agreement. Taxco may, but is not obliged to, decide to deliver such a tax service where it feels the returns relates entirely to issues which came into existence after the expiry of any waiting period. Should Taxco decide not to exercise "its discretion, it shall not be obliged to give reasons.
- criminal conduct on your part, unless there is a valid and justifiable defence for the conduct. The onus is on you to provide clear and convincing proof of such defence.
- appeals and/or Alternative Dispute Resolution procedures and or attendance.
- a cession, assignment or delegation in your favour, which was received from a person who himself is not covered under this or his own agreement.
- your rights or obligations in a capacity other than as a private person (e.g. director, officer, trustee, executor, guardian or as a shareholder, member of a company, partner, or similar capacity.)

5. BENEFIT CONDITIONS

Compliance with the Taxco Club membership agreement

In order to qualify for the tax solution services benefits, you are required to comply with all the terms, conditions and endorsements of the Taxco Club membership agreement within a reasonable time. If you do not comply or if any statement or answer by you in any proposal, declaration, claim submission, or communication (whether made in writing or orally) is not true and correct, benefits will be declined.

Truthfulness and co-operation

You are required at all times:-

- to be completely open and truthful and to not withhold any information in respect of any matter relating to your tax affairs; and
- to co-operate timeously and fully, with both Taxco and your appointed tax professional; failing which benefits will be declined.

Notification period

You are required to notify Taxco within 14 days of the date that any tax event first came to your knowledge and at least 30 days before such tax event's due date, failing which benefits or services may be declined.

Services and settlement by Taxco

Taxco is entitled to attempt to settle or resolve any tax query on your behalf. In doing so, Taxco may contact any other person, take statements, and make whatever investigations and do such things as are deemed necessary and you hereby grant Power of Attorney in this respect to Taxco.

Alternatively, in attempting to settle or resolve a tax query, Taxco may, amongst others, instruct; that a certain course of action be followed prior to appointing a tax attorney; or where reasonably indicated, that your interests can be satisfactorily achieved by means other than court process.

Legal costs

Any legal costs incurred with **your prior approval** and on your behalf are not covered by this agreement and must be paid by you.

Acceptance of service

Taxco will provide written confirmation of services rendered after all relevant statements, documentation, evidence and information required by Taxco to assess the tax solution, have been provided by you at your cost. Taxco will advise you whether or not the services required is covered, within 7 days of receiving all relevant documentation, evidence and information, and after all outstanding queries are answered.

Submission procedures for you to follow

You are required to timeously follow the tax submission or enquiry procedure (as prescribed by Taxco from time to time) and the reasonable instructions of the tax professional, failing which benefits will be declined.

The submissions procedure includes but is not limited to:

Fax, post or email any tax return received from SARS or enquiry you may have;
Submitting all statements, evidence, information and documentation reasonably requested by Taxco;

Keeping a record of how the submission proceeds with copies of returns and other applicable submitted documents for at least 5 years;

Following the instructions of the tax professional;

Genuinely attempting to assist Taxco, where possible;

Any other procedure which Taxco considers necessary to administer the tax solution service.

Appointment of a tax attorney

If a tax matter cannot be resolved by Taxco, you may request Taxco to assist you with the appointment of a tax attorney, or you may appoint an attorney of your choice, subject always to the right of Taxco, at any time and for good reason, to override this decision and appoint an attorney from its panel of attorneys whose appointment will be subject to your approval, not to be unreasonably withheld.

Once an attorney is appointed, the attorney acts on your behalf, not Taxco. You (not Taxco) are the client of the attorney, and Taxco will fall largely out of the picture at this stage, as all further work should be done by the attorney, regarding the aspect of work referred. Taxco will continue with the member's other tax events.

Notwithstanding the foregoing, Taxco shall have direct access to the attorney at all times and shall be entitled to obtain any information from the attorney or any other party regarding the claim, and you hereby grant Power of Attorney to Taxco in this respect.

Payment of services & costs recovered

Taxco will discuss and pre-quote all services not covered by this agreement with you. Payments for additional services are to be made at the commencement of such services at the agreed prices. All costs recovered from a third party shall be for our benefit, and any amount that is recovered will be apportioned first to recover tax service costs incurred, not covered in this agreement, and thereafter to amounts due to you.

Exclusive tax events

If flowing from one tax event there is both a basis for exclusion and a basis for benefits, then if the basis for exclusion is either the dominant cause or the initiating cause of the tax event, benefits will be declined.

Resolution of conflict and repudiation of benefits

Should you disagree with any recommendation of Taxco in attempting to resolve or settle a claim, then:

The matter shall, upon written request from you and at no charge to you, be referred by Taxco to an attorney nominated by Taxco and acceptable to you, who shall decide the matter acting as expert and not arbitrator.

The decision of the attorney shall be final and binding. The attorney may, without being obliged thereto and in his discretion, call for you and/or Taxco to provide written statements or evidence.

If you fail to abide by the decision of the attorney, we shall not be liable to indemnify you under this agreement in respect of such benefit.

Taxco repudiates a claim; you may within 90 days request Taxco, in writing, to reconsider the repudiation. If, after reconsideration, the claim is confirmed as repudiated, you must commence legal action against us within the later of 90 days of the second repudiation or 180 days of the initial repudiation. If you do not issue summons in this period, we shall not be liable to indemnify you under this agreement in respect of such claim.

Without derogating from the foregoing, if you choose to refer the matter to the Ombudsman or a professional body, then both you and we undertake to be bound by their decision.

6. FREE RETRENCHMENT OR RETIREMENT BENEFIT

Subject to the terms of this agreement, if the Taxco Club member is retrenched or retires and has an unbroken membership fee payment history over the preceding 12 months, then the Taxco Club membership agreement will be renewed monthly on full benefits, **without payment** of the membership fee, for a period of either the next eight months or until re-employment, whichever is the shorter.

7. FEES

Membership fees

The membership fees are R_____ p/m, Vat inclusive. There is a once-off administration fee of R171. You must remain a member of the club for at least 6 months after the completion of your tax return and covers and includes all benefits as per section 2 of this agreement. All fees, including arrear fees, if any, are deducted monthly by ACB debit order or as otherwise agreed in writing.

All fees are subject to change and annual review subject to proper notice given by Taxco to the Taxco Club member.

Additional services

Our fees for additional services you may require or request from time to time are computed on the basis of the time spent thereon. Unless otherwise agreed, fees will be charged separately for each main class of work undertaken. Fees for professional services will be charged at an hourly rate. Fees for taxation services will be based on a fixed rate.

Taxco Club member ACB instruction to Taxco

Kindly deduct the above said amounts monthly/annually* (Delete not applicable) via debit order (ACB) from my bank account:

Bank: _____

Account no: _____

Account Type: Current/Savings/Transmission

Branch no: _____

Branch name: _____

8. ADDITIONAL EXPLANATORY NOTES TO THE AGREEMENT

Note to paragraph 2

This is a professional tax service agreement aimed at covering your accounting and tax costs. It does not cover taxes, damages, interest, fines or penalties.

Note to paragraph 4

Prior matter benefits that came into existence prior to the inception of active cover (i.e. prior to the expiry of any Waiting Period) cannot be covered.

How to determine if your benefit is prior

A benefit may exist or be in formation before active cover, but still be unknown to you (in the sense that you were not aware that the matter would result in a dispute). Such a benefit will be excluded as a prior event, since the matter was in existence at the time of coming into active cover. The date to look at is the date when the first act or omission relating to the benefit took place, not when you first realised the matter would result in a dispute.

The following are all examples of prior events:

- You joined 1 year ago. Your previous tax return is audited and incorrectly revised.
- You submitted your logbook to SARS for approval in year 1. In year 2, you join Taxco. In year 3, you have a dispute with SARS. The dispute centres around the keeping of a correct logbook that was submitted in year 1.
- A dispute arises out of the interpretation of section of the Income Tax Act before the inception of active cover.

All these will be prior events even if when you became a member you had absolutely no idea or suspicion that the matter would turn into a legal dispute requiring the tax solutions of a tax professional.

Good news for prior matters

You can still receive free tax advice on prior matters as to how to resolve the tax dispute (which hopefully can be achieved without you requiring the tax solutions of an attorney).

We do not assist criminals with tax service benefits, of course, members who can show they are falsely accused and have been assessed unjustly will be assisted. From the benefits processing point of view, when a member is charged with a crime, requests assistance, the docket is often not yet available.

This means we will not have sufficient information to determine whether the benefit is approvable. In these instances, you will be guided on how to deal with the matter. Upon receipt of the docket, and compliance with the Taxco Club membership agreement, a tax professional will be appointed to advise you.

Our office and contact details are:

1st Floor, Taxco House, 81 Zastron Street, Bloemfontein, 9301
P O Box 220, Bloemfontein, 9300; Tel: +27 51 447 0825/27
Email: tax@taxcotrust.co.za

Taxco Accountants and Tax Consultants Trust - IT739/97 - Trustees - PT
Goosen, A Breytenbach, C Stroebel

Taxco provides tax advice and tax services to Taxco Club members. We are not a firm of auditors or attorneys and we do not provide assurance services or give legal advice.

Variation and Cancellation

No agreement varying, adding to, deleting from or cancelling this agreement, and no waiver whether specifically, implicitly or by conduct of any right to enforce any term of this agreement, shall be effective unless reduced to writing and signed by or on behalf of the parties. It is recorded that there exists no collateral and/or other agreements and that this is the sole agreement entered into by and between the parties.

Indulgences

No indulgence granted by a party shall constitute a waiver of any of that party's rights under this agreement; accordingly, that party shall not be precluded as a consequence of having granted such indulgence, from exercising any rights against the other which may have arisen in the past or which may arise in the future.

Entire Agreement

This Taxco Club membership agreement constitutes the entire agreement between the parties with regard to the matters dealt with herein and no representations, terms, conditions or warranties express or implied not contained in this agreement shall be binding on the parties.

For and on behalf of the Taxco Club member

_____ (Name)

_____ (Position)

_____ (Date)