



MUNISIPALITEIT CAMDEBOO MUNICIPALITY

**Beste Presterende Munisipaliteit 2010 - Best Performing Municipality 2010
Dorp van die Jaar 2010 - Town of the Year 2010**



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**Church Square
PO Box 71
Graaff-Reinet, 6280**

Ref: 5/4/3

Enquiries: Rev. M.N. Pietersen/ed

30 November 2015

**Maximum Profit Recovery (Pty) Ltd
P.O. Box 1700
GARSFONTEIN EAST
0060**

Dear Sir/Madam

VAT REVIEW – MAXIMUM PROFIT RECOVERY (Pty) Ltd

It is with great pleasure to inform you that Camdeboo Municipality has decided to contract your Services to perform a VAT Review for the Municipality.

Please provide a detailed Service level Agreement between Camdeboo Municipality and Maximum Profit Recovery (Pty) Ltd indicating the Scope of works and tariffs for the specified period.

Kind Regards


REV. M.N. PETERSEN
MUNICIPAL MANAGER

The Parties agree as follows:

1. Mandate and duration

- 1.1 MAXPROF shall perform a confidential review of the CLIENT'S accounting transactions on a contingency basis, more fully set out hereunder, for the maximum period for which a recovery can be made in terms of the prevailing legislation (currently the last 5 (FIVE) years for VAT), calculated from the date of submission of MAXPROF'S final report or calculated from the end of the CLIENT'S current financial year end, whichever is the latter ("the initial period").
- 1.2 The review for purposes hereof shall mean the identification of overpayments and/or under deductions and/or undue assessments and/or undue penalties and interest of a CLIENT *vis-à-vis* its suppliers or the South African Revenue Service; and
- 1.3 In addition to the review of the initial period, MAXPROF shall perform further reviews every 6 (SIX) months on the transactions entered into by the CLIENT for a period of at least 3 (THREE) years after the initial period. These subsequent reviews shall be referred to as "reviews in the second period".
- 1.4 In addition to the review, MAXPROF shall, where applicable, make submissions on behalf of the CLIENT to the South African Revenue Service, with the view of convincing the South African Revenue Service to write off, compromise, in whole or in part, any amount of tax, duty, levy, charge, interest, penalty or other amount due by the CLIENT to the South African Revenue Service.
- 1.5 This agreement shall commence on the date of signature hereof and shall endure until the review for the initial period as well as the reviews in the second period were completed, where after it shall continue indefinitely for such further periods as may be agreed upon between the parties (hereinafter referred to as "the further period"), unless it is, after completion of the review of the initial period as well as the reviews in the second period, cancelled by either party by giving one month written notice to the other party.
- 1.6 MAXPROF hereby undertakes:
 - 1.6.1 to conduct the review with the minimum disturbance to the Client's operations;
 - 1.6.2 to be sensitive to the relationships between the CLIENT and the CLIENT'S suppliers and business partners;
 - 1.6.3 to upon conclusion of the review submit a detailed report of the review to the CLIENT.

2. Obligations of the CLIENT

The CLIENT undertakes that:

- 2.1 it will not during the mandate period (the initial period, reviews in the second period and the further period), appoint or allow any other review to be conducted

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which has the same or similar aim as provided for in this agreement. Should the CLIENT, in conflict with this provision, proceed to allow a rival trader or any other entity to conduct such a review, then the CLIENT shall be indebted to MAXPROF the percentage, agreed upon in paragraph 3.2 hereof, of the amount so identified as due to the CLIENT by the rival trader or other entity;

- 2.2 it will furnish MAXPROF with access to all relevant financial and other information to enable MAXPROF to perform a complete system verification;
- 2.3 there are no unresolved queries or investigations pertaining to claims between the CLIENT and the CLIENT'S suppliers or the South African Revenue Service, for the financial period set out in paragraph 1.1 above, unless specifically stated in writing by the CLIENT to MAXPROF, upon signature hereof;
- 2.4 it will treat all working papers and reports generated by MAXPROF during this review as confidential and undertakes not to disclose any recovery areas and methodology used by MAXPROF, to any third party, including but not limited to the CLIENT'S subsidiaries, divisions or segments without the written consent from MAXPROF;
- 2.5 the CLIENT acknowledges that MAXPROF'S value lies in its business methodology and hereby grants MAXPROF the first option to utilise the same or similar methodology to perform a confidential verification of its subsidiaries, divisions or segments' accounting transactions, also on contingency basis, on the terms set out in this agreement;
- 2.6 the CLIENT shall verify the detailed report of the claim prepared by MAXPROF within 30 (THIRTY) days of receipt thereof and in the absence of any commentary it will be accepted that the CLIENT agrees with the correctness thereof;
- 2.7 the CLIENT will promptly upon acceptance of the report submit the financial benefit identified for the CLIENT to the Supplier or the South African Revenue Service (as the case may be), failing which the CLIENT authorises MAXPROF who may, but shall not be obliged to, submit the claim on behalf of the CLIENT;

3. Payment and Contingency

- 3.1 Should MAXPROF, after a proper review, not be able to identify any financial benefit for the CLIENT, which shall include claims of any overpayments, under deductions, undue assessments, undue penalties and interest *vis-à-vis* a supplier or the South African Revenue Service, then MAXPROF shall not be entitled to any fee in respect of the review.
- 3.2 The CLIENT shall pay to MAXPROF 20% (Twenty percent) of the financial benefit identified for the CLIENT which shall include claims of any overpayments, under deductions, undue assessments, undue penalties and interest, amounts written off or compromised, (in whole or in part) of any amount of tax, duty, levy, charge, interest, penalty or other amount that was due or may have been due *vis-à-vis* any supplier or the South African Revenue Service, in respect of the services rendered by MAXPROF to the CLIENT.

3.3 The payment referred to in paragraph 3.2 is exclusive of VAT (Value Added Tax).

3.4 The payment is due and owing to MAXPROF by the CLIENT upon:

3.4.1 receipt of the financial benefit (including but not limited to: overpayments, under deductions, undue assessments, undue penalties and interest) from the CLIENT'S suppliers and/or the South African Revenue Service (as the case may be) and upon presentation of an invoice by MAXPROF to the CLIENT; or

3.4.2 In the event that the CLIENT fails and/or neglects to submit the claim to the Supplier or the South African Revenue Service (as the case may be), then upon presentation of an invoice by MAXPROF to the CLIENT; or

3.4.3 In the event that the CLIENT fails and/or neglects to approve the detailed claim within 30 days after the CLIENT has received MAXPROF'S detailed claim, then upon presentation of an invoice by MAXPROF to the CLIENT.

3.5 Any outstanding amount due to MAXPROF shall bear interest at the prevailing prime interest rate of Standard Bank Ltd per annum, from date of invoice to date of payment;

3.6 In the event of MAXPROF having to institute action against the CLIENT for recovery of any amount due to it in terms hereof, the CLIENT shall pay the costs of such action on a scale as between attorney and own client, also including collection commission.

3.7 The payment due to MAXPROF in terms of paragraph 3.2 shall not be reduced by any amount due by the CLIENT to SARS, which includes but will not be limited to under payments, over deductions, outstanding penalties and interest or other amounts that become due or may have been due *vis-à-vis* SARS.

4 Power of Attorney and authority granted by the CLIENT to SARS

The CLIENT shall execute a separate Power of Attorney in terms whereof it appoints MAXPROF (hereinafter also called "the Agent") to be its lawful agent and in terms whereof it shall authorise the agent:

4.1 To submit all VAT returns on behalf of the CLIENT to SARS, if required; and

4.2 To handle all claims, demands and disputes which may presently subsist or which may at any time hereafter arise between the CLIENT and SARS and to make the necessary appointments and sign and execute all acts, deeds of submission or other instruments that may be necessary or usual for that purpose; and

4.3 To raise objections on behalf of the CLIENT to any assessment raised by SARS and enter into negotiations and correspondence thereon; and

4.4 In general to do and suffer all acts and execute all deeds whatsoever in or about the VAT assessment or VAT returns of the CLIENT as the CLIENT could do in if this.

deed had not been made.

5 Breach

Should either party commit a material breach of this agreement and fail to remedy such breach within 30 (thirty) days of written notice requiring the breach to be remedied, then the party giving the notice will be entitled, at its option, either to cancel this agreement and claim damages or to claim specific performance of all the defaulting party's obligations, together with damages, if any, whether or not such obligations have fallen due for performance.

6 Amendments

This agreement is the whole agreement between the parties and no cancellation, variation or addition hereto shall be of any force or effect unless it is reduced to writing and signed by both parties.

7 Warranty of Authority

The CLIENT warrants that it is authorised to conclude this agreement and the representative of the CLIENT warrants that he/she is authorised to conclude this agreement on behalf of the CLIENT.

8. Limitation of liability

- 8.1 The opinion is for the use of the CLIENT only and not for the use by any other party without MAXPROF's prior obtained written permission. MAXPROF does not accept any liability for the unauthorised use of the report submitted to the CLIENT.
- 8.2 The advice contained in the report / draft report(s) is based on the prevailing legal and taxation position as at the date of the report and MAXPROF shall not be liable towards the CLIENT for any damages whatsoever in the event that the information contained in the report is utilised for a subsequent period after the legal or taxation position may have changed.
- 8.3 MAXPROF shall not be liable in terms of the Agreement in delict, contract, warranty or otherwise for an amount which is more than the revenue received from the CLIENT, for any consequential or direct damage suffered by the CLIENT, which arises out of or is pursuant to any negligent act, gross negligent or wilful act or omission of MAXPROF or its consultants. The amount of revenue received by MAXPROF, for the purpose of this clause, shall be the revenue received in respect of the particular report giving rise to the CLIENT'S damage and for which MAXPROF raised an invoice, and shall exclude earlier or other invoices raised following earlier or other reports, not giving rise to the damages suffered by the CLIENT.
- 8.4 Irrespective of any other provision contained in the Agreement, MAXPROF shall not be liable to the CLIENT for any claim, whether for direct damages or for

consequential damages made by the CLIENT or any third party, unless the claim is made within three months after the cause of action arose.

8.5 In the event where any third party is successful in any claim against MAXPROF, which exceeds MAXPROF's liability, in terms of this Agreement, or where MAXPROF has not been notified of the existence of such a claim within three months after the cause of action arose, then the CLIENT, by entering into this Agreement, indemnifies MAXPROF, and shall reimburse MAXPROF, on demand, for all payments, damages and costs (including, but not limited to legal fees on attorney and client scale). MAXPROF shall immediately, once such a claim has been brought against it, advise the CLIENT thereof.

8.6 Irrespective of any other provision contained in this Agreement, MAXPROF shall not be liable to the CLIENT for any claim whatsoever that may arise as a result of incorrect and/or insufficient and / or incomplete literature / data or information supplied to MAXPROF by the CLIENT.

For: **MAXIMUM PROFIT RECOVERY (PTY) LTD**

Signed at GRAAFF REINET on this 30 day of NOVEMBER
2015.

Witnesses:


MAXIMUM PROFIT RECOVERY (PTY) LTD

JAN LOUW

By: print name

For: **CLIENT**

Signed at GRAAFF REINET on this 30 day of NOVEMBER
2015.

Witnesses:




CLIENT

[Signature]

Rev. M.N. Pieterse
By: print name

POWER OF ATTORNEY

I, Rev. Martin Noel Pieterse the undersigned (duly authorised representative of CAMBEROUM CM (herein after referred to as "the Client") hereby appoint MAXIMUM PROFIT RECOVERY (PTY) LTD (hereinafter also called "the Agent") to be the Client's lawful agent and authorise the agent:

1. To submit all VAT returns on behalf of the Client to SARS, if required; and
2. To handle all claims, demands and disputes which may presently subsist or which may at any time hereafter arise between the Client and SARS and to make the necessary appointments and sign and execute all acts, deeds of submission or other instruments that may be necessary or usual for that purpose; and
3. To raise objections on behalf of the Client to any assessment raised by SARS and enter into negotiations and correspondence thereon; and
4. In general to do and suffer all acts and execute all deeds whatsoever in or about the VAT assessment or VAT returns of the Client as the Client could do in if this deed had not been made.

Signed at GRAAP RINET on this 30 day of NOVEMBER 2015

Witnesses:

[Signature]

[Signature]

THE CLIENT
(duly authorised thereto)

RECOVERY AGREEMENT

entered into between:

MAXIMUM PROFIT RECOVERY (PTY) LTD
(with registration number 2001/005576/07)
a company duly incorporated
under the laws of the Republic of South Africa
having its main place of business at:

**Boardwalk Office Park,
Block N1, 1st floor,
107 Haymeadow Street,
Faerie Glen, Pretoria**

(which address it chooses as its *domicilium citandi et executandi* for purposes of this agreement)

herein represented by JAN LUIS, duly authorised thereto.
(Hereinafter referred to as "MAXPROF")

jan@jrlvr.co.za

and

CAMDEBOO LTD.

(with registration number EC/01)
a Company / Close Corporation / Municipality duly incorporated
under the laws of the Republic of South Africa
having its main place of business at:

CHURCH SQUARE

P.O. BOX 71

GODDARD - RETNET 6280

(which address it chooses as its *domicilium citandi et executandi* for purposes of this agreement)

herein represented by (M/M) REV. M.N. PIETERSEN, duly authorised
thereto.
(Hereinafter referred to as the "CLIENT")

[Signature]
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