



# TERMS OF ENGAGEMENT

Solfeggio, a company registered in South Africa, offers an introductory/referral service for freelance consultants, partnering with organisations requiring the services of such professionals on a consulting or independent contracting basis. Although we are not a recruitment agency, we understand the nature of your resourcing requirements and are willing to oblige with such services from time to time; the terms of permanent placement are not included in this document. Likewise, this document does not address terms of engagement for our packaged services, managed services or retainer-based services.

We actively market consultants who are personally known to us and/or to our network of like-minded colleagues – and thus whose reputation and track record is known to us either personally or by word of mouth, connecting them to our clients. At the same time, clients may ask us to connect them with suitable service providers to perform a particular piece of work, which we will endeavour to do. We charge a very reasonable referral fee for our service. The following are the terms on which we are prepared to conduct business.

Please note that Solfeggio is not yet registered as a VAT vendor; once this takes effect and charges become subject to VAT, this will affect invoicing; you will be notified of same well in advance.

## GENERAL TERMS AND CONDITIONS

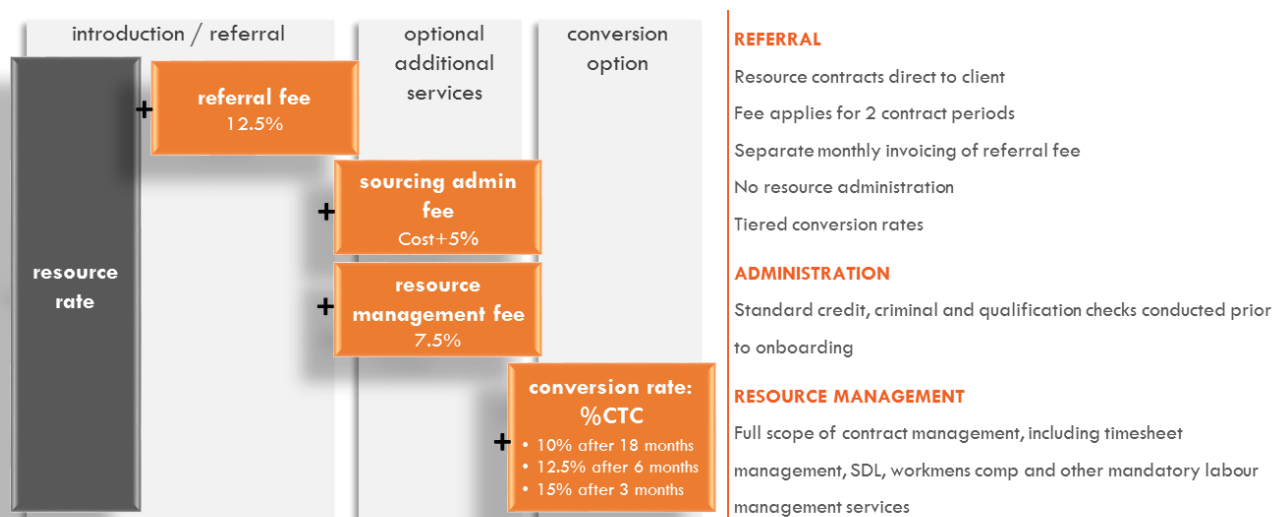
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1. Unless specifically indicated to the contrary, all professionals referred are professional service providers and freelance consultants working on an independent contracting basis. Essentially, they are members of a 'federation' of professional services consultants, referred by us on the strength of their reputation as known to us or our trusted network.
2. You (the client) may only conduct criminal, credit and other checks on consultants under consideration with the express permission of said consultant, and with the understanding that the consultant is an independent service provider, not a prospective employee of Solfeggio or your company.
3. Your attention is drawn to the specific terms and conditions on the resumés provided, which require compliance with the provisions of the Protection of Personal Information (POPI) Act and relevant restraints placed on your use of the information provided therein.
4. All information concerning our consultants is furnished to you in strict confidence and on condition:
  - a. That it is not divulged by you to anyone without our and the candidate's written consent;
  - b. That you will not engage directly with the candidate without our prior written consent,
  - c. That no contact whatsoever shall be made with the candidate's present employer without our express consent, which shall signify that we have obtained such consent from the candidate;
  - d. That no references shall be taken on the candidate without our prior permission or that of the candidate;
  - e. That you direct any offer of employment or engagement in any form to us and not directly to the candidate; and
  - f. That no offer of permanent employment is made to the candidate without our prior written consent.
5. Negotiations regarding assignment of the body of work to a particular consultant must take place with Solfeggio or, if we agree that you may negotiate directly with the consultant in question, Solfeggio must be a party to such negotiations. This includes the scope and required outcomes of the assignment, duration and payment terms.

6. All consulting work performed will be done on the basis of either fixed term or deliverables-based engagements, with clearly defined outcomes and objectives.
7. You may not offer contractual engagement or permanent employment to a consultant whose resumé we have presented, save through negotiation with us and with our express and written consent; should such engagement take place within 12 months of presentation of the resumé, please take note that you will be liable for a referral fee of 12.5% of annual CTC or of the value of the contractual engagement (whichever is applicable), as accepted by the consultant.
8. Consultants' availability to you will be concomitant with the requirements of each individual assignment, and will be stipulated in the contract. You do not necessarily have the right of exclusive availability of any individual consultant to the assignment in question, and consultants may provide services to multiple clients concurrently, depending on the needs of each contract. However you do have the right to insist on delivery of services in accordance with standards agreed at the outset of each assignment, and the consultant will be expected to manage resourcing capacities to ensure such performance standards are met.
9. Once a contracting engagement has commenced, the working relationship between you and the consultant takes effect, and Solfeggio can take no responsibility for non-delivery as a result of mismanagement of poor performance management.
10. Should a candidate be referred to another branch, division or subsidiary of your company, or be introduced to any other employer by you within a period of twelve (12) months, our terms and conditions will apply.
11. Should you decline a candidate presented to you by Solfeggio and subsequently employ such candidate in a permanent or temporary capacity (including on a contracting basis through another agency) within 6 months of presentation of the candidate's resumé to you, Solfeggio will be entitled to charge a placement fee in line with the charges outlined in this document.

## PRICING STRUCTURES

Our services structure afford you flexibility, with concomitant pricing calculated as a percentage of the consultant's rate, as summarised by the following graphic.



## Consultant Referrals

The simplest and most cost efficient engagement model is a 'referral'. In this case we introduce the resource to you; he contracts directly to your organisation and Solfeggio will invoice you separately.

In the case of referrals, Solfeggio does not offer any administrative services such as credit, criminal or qualification checks.

Consultant Referrals as envisaged in our service offering constitutes the introduction of a suitable consultant/service provider to you for execution and delivery of a fixed term, deliverables-based work package.

A referral fee will be charged, calculated as 12.5% of the total value of the service provided by the consultant to the client for the first 12 months. The referral fee will thereafter be reduced to 8% of the annual contract value for any contract extension up to a maximum of 12 months. Thereafter, no further fees will apply.

## Additional Services

In addition to the referral service, you may elect to secure further services as follows:

1. **Administrative services** during the sourcing process, covering credit and criminal checks, and verification of local qualifications. The fee for this service is an additional 5% of the consultant's rate.
2. **Full resource management service**, in the form of the full scope of contract management, including timesheet management, payroll function, PAYE, SDL, workmens compensation and other mandatory labour management services, accompanied by an account management function entailing regular liaison with you and the consultant regarding his performance. The fee for this service is a further 7.5% of the consultant's rate. Furthermore, the referral fee will remain at 12.5% of the consultant's rate, irrespective of the number of contract extensions.

Additional terms apply in the case of our resource management service, as follow.

- a. In the event of the consultant not meeting required performance standards, and provided that you shall have attempted, in conjunction with us, to take corrective action, and given the consultant at least two weeks to rectify the situation with requisite support from your organisation, you may inform us of the failure in writing and should we have failed to use our best endeavours to rectify the situation, you shall be entitled to terminate the engagement on twenty four (24) hours written notice.
- b. Normal termination of the contract may be effected by either you or Solfeggio and will be subject to a thirty (30) day cancellation period which will be agreed upon in each case.
- c. We will not be obliged to credit you with fees paid or payable for any work done by the consultant where the contract is terminated regardless of the reason for such termination.
- d. Irrespective of the cancellation period, in the event that you do not effect payment on the due date, Solfeggio reserves the right to withdraw any consultants contracted to you without further notice.
- e. A restraint of trade will be in force between Solfeggio and the contractor, whereby the contractor may not, for a period of 12 months from the date of introduction to the client or the last date on which the contractor rendered the prescribed services to the client, render any services (directly or indirectly) to your organisation or the end client without our express consent. Solfeggio has the sole right of refusal to release the consultant from this restraint of trade; alternatively, should Solfeggio decide at its sole discretion to release the contractor from such restraint, all and any negotiations as to the terms of such release will be directed to Solfeggio, who reserves the right to determine the terms and any release fees, placement fees, or otherwise upon which such release will be contingent.

## INVOICING AND PAYMENT

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The following terms apply in respect of invoices presented to you.

1. Referral fees will be due upon commencement of work, or otherwise as negotiated.
2. Invoices in respect of referral, administration and resource management fees will be presented on the day the fee falls due, or monthly in arrears, or otherwise in line with the terms of payment agreed to between us.
3. The consultant will invoice you directly for work completed in terms of the service contract, providing a copy/ies of such invoice/s as well as all supporting documents, to Solfeggio. You will pay the consultant in accordance with the terms of the service contract reached between you, and payment of the consultant will take place independently of payment of the referral invoice.
4. Payment terms are strictly 30 days from issuing of the relevant invoice. Interest will be charged on overdue amounts at the standard rate charged by the bank on unsecured overdrafts.

We thank you for your support and look forward to a mutually beneficial engagement with your organisation.