CAITLYN BOOKKEEPING (PTY) LTD

Numbers with Grace.

ENGAGEMENT LETTER & TERMS AND CONDITIONS

CIPC Registration No: 2026/748005/07 | Not currently VAT registered | caitlynbookkeeping.co.za

Engagement Letter

Thank you for choosing Caitlyn Bookkeeping. I'm delighted to welcome you, and I look forward to looking after your books with care and attention to detail.

This Engagement Letter confirms the terms on which Caitlyn Bookkeeping (Pty) Ltd ("the Service Provider") will provide bookkeeping services to the Client named below. The attached Terms and Conditions, together with our Client Privacy Notice, are incorporated into and form part of this agreement. Putting everything in writing means we both know exactly what to expect.

Client Details

Business name:

Registration number (if applicable):

Contact person:

Email / Phone:

Services & Package

Package selected:

☐ Grace Essentials ☐ Grace Growth ☐ Grace Premier

Monthly fee (ZAR):

Payroll provider (payroll support clients only):

Services are provided as set out in the selected package. Every package includes bank feeds and transaction review, monthly bank and credit card reconciliations, a basic report pack (Profit & Loss and Balance Sheet) and month-end close support. Where included in the selected package, services also include a short monthly note with the reports ("Grace Notes") and a monthly check-in to discuss them, a calendar of the Client's SARS and CIPC deadlines with reminders ("Grace Calendar"), VAT-ready books with a VAT summary from the books for each VAT period, debtors and creditors tracking, payroll support, cash flow reporting and a year-end handover pack. Document capture through AutoEntry is included in the monthly fee.

Scope Exclusions

To avoid any misunderstanding, here is what this engagement does not include.

Unless separately agreed in writing, this engagement does not include:

- preparation of annual financial statements;
- statutory audits, independent reviews, or any other form of assurance on financial statements;
- preparation, completion or submission of VAT201, income tax or provisional tax returns;
- submission of returns to, or payment of amounts due to, SARS, the Department of Employment and Labour (UIF) or the Compensation Fund (COIDA);
- payroll processing, including calculating pay, preparing payslips and preparing EMP201, UIF, EMP501 or IRP5/IT3(a) figures and returns;
- payment of salaries, wages or any other amounts to employees or third parties;
- tax opinions or tax planning advice;
- labour-law, HR or employment contract advice, including disciplinary, dismissal and retrenchment matters; and
- company secretarial services, including CIPC annual returns and beneficial ownership filings.

These remain the responsibility of the Client and their appointed auditor, independent reviewer, tax practitioner or other professional. I'm happy to refer you to a suitably qualified professional, and to provide them with the records I maintain on your behalf.

Start Date

Services commence on:

Our monthly rhythm. Records, and payroll reports for payroll support clients, are due by the 3rd of each month. You receive a VAT summary from your books for each VAT period, and you or your tax practitioner complete, submit and pay all returns to SARS. Invoices are issued around the 25th. Full details are set out in the Terms and Conditions below.

The Grace Promise

My written promise to every client, on every package.

- **You'll hear back from me.** I reply to every message within one business day.
- **Your books are on time.** Your books are closed and your reports are with you by the date we agree at onboarding, every month, as long as your statements and slips are in by the 3rd.
- **Your fee is fixed.** One clear monthly fee. No surprise invoices, ever.
- **No judgment, ever.** Whatever state your books are in, you'll get honesty, patience and grace.
- **Your information is safe.** Handled in line with POPIA. I'll never ask for your banking passwords, PINs or one-time PINs.

The Terms and Conditions below set out how these promises work in practice, including fees (clause 3), confidentiality (clause 6) and turnaround times (clause 11).

TERMS AND CONDITIONS OF SERVICE

Attached to and forming part of the Engagement Letter above

1. Parties and Scope of Services

1.1 These terms are entered into between Caitlyn Bookkeeping (Pty) Ltd, registered in South Africa under CIPC registration number 2026/748005/07 ("the Service Provider"), and the client named in the Engagement Letter ("the Client").

1.2 The Service Provider will render bookkeeping and related services as set out in the Client's selected package, or as otherwise agreed in writing, subject to the Scope Exclusions in the Engagement Letter.

1.3 **Professional standards.** The Service Provider's director is a member of the Chartered Institute for Business Accountants (CIBA), and the services are rendered in accordance with CIBA's code of professional conduct, which requires integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Where that code requires it, the Service Provider may decline to perform, or withdraw from, any part of the services, and will inform the Client in writing.

2. Independent Contractor Status

2.1 The Service Provider acts as an independent contractor and not as an employee, partner or agent of the Client, except where expressly authorised in writing to act on the Client's behalf. The Service Provider does not act as the Client's tax practitioner or SARS representative.

2.2 **Assistants and subcontractors.** The Service Provider may engage employees, assistants or subcontractors to help render the services. The Service Provider remains responsible to the Client for their work, supervises and reviews it, and ensures that each of them is bound in writing to confidentiality and data protection obligations no less strict than those in this agreement and Annexure A. They will have access to the Client's records only to the extent needed to render the services. The Service Provider will not use an assistant or subcontractor based outside South Africa without the Client's prior written consent.

3. Fees, Payment Terms and VAT

3.1 Fees are fixed and invoiced monthly in advance, unless otherwise agreed in writing.

3.2 Monthly invoices are issued on or around the 25th of each month, covering the month ahead.

3.3 Payment is due within seven (7) days of the invoice date.

3.4 Work may be paused if payment is more than seven (7) days overdue, until the account is settled.

3.5 Once-off catch-up or clean-up work outside the standard monthly package is quoted separately as a fixed fee, usually following a Grace Clarity Check, and invoiced before work begins. The quote sets out the period covered and the assumptions it is based on. If the records turn out to be materially different from those assumptions, the Service Provider will provide a revised quote for the Client's approval before doing any additional work.

3.6 The Service Provider is not currently registered for VAT. Fees quoted are exclusive of VAT unless stated otherwise. If the Service Provider becomes a registered VAT vendor, VAT will be added to fees from the effective registration date, and the Client will be notified in writing.

3.7 The books are kept in Sage Accounting, or in the Client's own Xero where the Client already uses Xero. The Client's Sage Accounting subscription and the AutoEntry document capture subscription are included in the package fee and are not billed separately. Where the Client already holds and pays for its own Sage Accounting or Xero subscription, the Client continues to pay that provider directly, and the package fee is unchanged.

3.8 Package fees may be reviewed annually, or if the Client's transaction volume, or the number of documents submitted through AutoEntry, materially changes. The Client will be given at least thirty (30) days' written notice of any change.

4. Client Responsibilities

4.1 Provision of records. The Client shall provide the Service Provider with complete and accurate bank and credit card statements, sales invoices, supplier invoices, receipts and any other records reasonably required, by the 3rd day of each month for the preceding month. The Client shall ensure that every business transaction is supported by a valid source document. Records should be submitted through AutoEntry, including bank and credit card statements for any account not connected to the accounting software through a bank feed. Photos of slips and invoices may also be sent by WhatsApp to the Service Provider's business number. Payroll reports and correspondence from SARS may be sent to the Service Provider by email.

4.2 Payroll reports. Where payroll support is included, the Client shall provide, or arrange for its payroll provider to provide, the payroll summary and proof of payment of salaries for each payroll period by the 3rd day of the following month, and the EMP201 as submitted to SARS, with proof of payment, promptly after submission. The Client remains responsible for the accuracy of its payroll and for compliance with applicable labour legislation.

4.3 Access to systems. The Client shall grant and maintain the access reasonably required for the Service Provider to render the services, including bank and credit card feeds to Sage Accounting or Xero, user access to the Client's accounting software where the Client holds its own subscription, and user access to AutoEntry, and shall inform the Service Provider promptly if such access is interrupted or withdrawn.

4.4 Queries and review. The Client shall respond to queries from the Service Provider regarding unclear or unsupported transactions within five (5) business days. The Client shall review the monthly reports provided and notify the Service Provider of any errors or omissions within ten (10) business days of receipt.

4.5 Business and personal transactions. The Client shall keep business and personal transactions separate where possible, and shall identify any personal transactions processed through business accounts.

4.6 Notification of changes. The Client shall notify the Service Provider in writing of any material change to the business, including new bank accounts, loans, asset purchases, changes in employees, VAT registration or deregistration, changes in ownership or business structure, and changes to contact details.

4.7 Correspondence from authorities. The Client shall forward to the Service Provider, without delay, any correspondence received from SARS, CIPC or any other authority that relates to the services.

4.8 Tax returns and payments. The Service Provider records VAT in the Client's books and provides a summary of the VAT recorded in the books (a "VAT summary") for each VAT period, based on the records supplied by the Client. The VAT summary is a bookkeeping record, not a prepared or completed return. The Client, or the Client's appointed tax practitioner, is responsible for completing and submitting all returns (including the VAT201, EMP201 and EMP501) and paying all amounts due to SARS by the applicable deadlines. The Service Provider does not prepare, complete or submit returns, or make payments to SARS, on the Client's behalf. Payroll support is set out in clause 5.

4.9 Statutory and legal obligations. The Client remains responsible for the accuracy of all information supplied and for all tax, statutory and legal obligations of the business, including CIPC annual returns and beneficial ownership filings, unless such services are expressly included in the Client's package.

4.10 Retention of records. The Client is responsible for retaining original source documents for the periods required by law, including the Tax Administration Act and, where applicable, the Companies Act.

4.11 Business decisions and internal controls. The Client is responsible for all business decisions made on the basis of reports prepared by the Service Provider, and for maintaining adequate internal controls to safeguard the assets of the business and to prevent and detect fraud.

4.12 Personal information of others. Where the Client provides personal information about other persons, including employees, customers or suppliers, the Client confirms that it is entitled to share such information for the purpose of the services, and that those persons have been informed where required by POPIA.

4.13 Reminders. The Service Provider may send requests or reminders for outstanding records as a courtesy. The receipt or non-receipt of such a request or reminder does not transfer responsibility for the Client's record-keeping to the Service Provider.

4.14 Missing, late or inaccurate records. Where supporting documents are not provided, transactions will be recorded from available bank data and identified as unsupported. The limits on the Service Provider's liability for missing, late or inaccurate records are set out in clause 9.2.

4.15 Backlog work. Where late or missing records result in a backlog, the resulting clean-up work falls outside the standard monthly package and will be quoted separately in accordance with clause 3.5.

4.16 Delays. Delays by the Client in providing records or information may result in delayed reporting or delayed VAT summaries, for which the Service Provider cannot be held responsible.

5. Payroll Support

5.1 What payroll support includes. Where payroll support is included, the Service Provider will, based on the payroll reports supplied by the Client or its payroll provider: record the monthly payroll journal in the Client's accounting records; reconcile PAYE, UIF, SDL and net wages to the Client's bank payments and SARS statement of account; reconcile the EMP201 as submitted to the payroll reports and report any differences to the Client; remind the Client of payroll deadlines; and provide reconciled figures to the Client's payroll provider for the interim and annual EMP501 reconciliations.

5.2 What payroll support does not include. The Service Provider does not calculate pay, prepare payslips, set up or maintain employees in payroll software, or prepare EMP201 figures, UIF declarations, EMP501 reconciliations or IRP5/IT3(a) certificates. These remain the responsibility of the Client or its payroll provider.

5.3 Responsibility for payroll. The Client, or its appointed payroll provider, remains responsible for calculating salaries, wages and deductions, and for the accuracy of payslips, payroll returns and statutory submissions. The Service Provider's payroll support is limited to the specific bookkeeping reconciliations, checks and reporting set out in clause 5.1, based on the information supplied to the Service Provider. These checks are not an audit, an independent review or a guarantee that the payroll is complete or correct. The Service Provider will, however, perform the agreed services with reasonable skill, care and diligence, and will report to the Client any material differences identified while performing them.

5.4 **Payment of employees.** The Client is solely responsible for paying employees' net salaries and all third-party deductions (including medical aid, retirement funds and court-ordered deductions) accurately and on time. The Service Provider does not hold, access or transfer Client funds for this purpose.

5.5 **Statutory submissions and payments.** The Client, or the Client's payroll provider or appointed tax practitioner, is responsible for: submitting the EMP201 and paying PAYE, UIF and SDL to SARS by the 7th of each month (or the last business day before it); submitting the monthly UIF declaration to the Department of Employment and Labour; submitting the interim and annual EMP501 reconciliations and issuing IRP5/IT3(a) certificates to employees within the prescribed periods; and submitting the annual Return of Earnings to the Compensation Fund.

5.6 **Registrations and tax numbers.** The Client shall ensure that the business is registered for PAYE, UIF, SDL (where applicable) and COIDA, and that every employee required to register for income tax has a valid income tax reference number.

5.7 **Employment law.** The Client is responsible for compliance with labour legislation, including the Basic Conditions of Employment Act and the National Minimum Wage Act, and for employment contracts, the classification of workers as employees or independent contractors, and all disciplinary, dismissal and retrenchment matters. The Service Provider does not provide labour-law or HR advice.

6. Confidentiality and Data Protection

6.1 The Service Provider will keep all Client financial information confidential and will process personal information in accordance with the Protection of Personal Information Act 4 of 2013 (POPIA) and the Service Provider's Client Privacy Notice.

6.2 Information will only be used for the purpose of rendering the agreed services, and will not be shared with third parties without the Client's consent, except where required by law (for example, SARS), or with service providers that process information on the Service Provider's behalf to deliver the services.

6.3 Services are rendered from within South Africa. Cloud-based service providers used by the Service Provider, including Sage, Xero (where the Client uses it), AutoEntry and the Service Provider's email and hosting providers, may store information on servers outside South Africa, in which case such transfers will take place only as permitted by section 72 of POPIA.

6.4 Where the Service Provider processes personal information on the Client's behalf and has reasonable grounds to believe that it has been accessed or acquired by an unauthorised person, it will notify the Client immediately, so that the Client can notify the Information Regulator and the affected persons as required by section 22 of POPIA. Where the Service Provider is itself the responsible party for the information, it will notify the Information Regulator and the affected persons directly.

6.5 **Operator agreement.** Where the Service Provider processes personal information on the Client's behalf, such as employee information in payroll reports or customer and supplier details in the Client's records, it acts as the Client's operator under POPIA, and Annexure A (POPIA Operator Agreement) applies.

6.6 **Legal reporting obligations.** The Service Provider may be required by law to report certain matters to the authorities without the Client's consent, including suspicious and unusual transactions under section 29 of the Financial Intelligence Centre Act 38 of 2001 (FICA). Where the law prohibits it, the Service Provider will not inform the Client that a report has been made. A report made in good faith to comply with the law is not a breach of this agreement, including this clause 6 and Annexure A.

7. Ownership and Retention of Records

7.1 Original financial records provided by the Client remain the Client's property at all times.

7.2 The Service Provider will retain copies of working papers and processed records for seven (7) years, in line with South African statutory requirements, after which they will be securely deleted or disposed of, unless a longer period is required by law.

7.3 The Service Provider will hand over all records and access on completion or termination of this agreement, provided all outstanding fees have been settled.

8. Term and Termination

8.1 This agreement continues on a month-to-month basis unless otherwise specified.

8.2 Either party may terminate this agreement by giving thirty (30) days' written notice.

8.3 Upon termination, the Service Provider will hand over the Client's records and access within a reasonable period, provided all outstanding fees have been settled. The Client's AutoEntry access will be closed once its documents have been exported and handed over.

9. Important Limitations of Liability

Please read this clause carefully. It limits the Service Provider's responsibility in certain circumstances, and is brought to your attention as required by section 49 of the Consumer Protection Act 68 of 2008.

9.1 **Standard of care.** The Service Provider will perform all services with reasonable skill, care and diligence.

9.2 **Client records and information.** **The Service Provider is not liable for penalties, interest, disallowed deductions or other losses or costs, to the extent that they arise from missing, late, incomplete or inaccurate records or information supplied by the Client, or from delays in the Client's responses.**

9.3 **Payroll and statutory obligations.** **The Service Provider is not liable for penalties, interest or losses arising from the late submission of, or late payment in respect of, any return where submission or payment is the responsibility of the Client or its appointed service provider; from payments made by the Client to incorrect bank accounts; or from errors in payroll calculations, payslips or returns prepared by the Client or its payroll provider.**

9.4 **What these limits do not exclude.** Nothing in this agreement excludes or limits the Service Provider's liability to the extent that a loss results directly from its own breach of this agreement, its negligence, or any other conduct for which liability may not be excluded or limited by law, including under the Consumer Protection Act.

Client's initials, confirming that clause 9 has been read and understood: _____

10. Force Majeure

10.1 Neither party will be liable for any delay or failure to perform its obligations due to circumstances beyond its reasonable control, including but not limited to load shedding, internet or system outages, SARS eFiling downtime, illness, or other events of force majeure.

10.2 The affected party will notify the other as soon as reasonably possible and resume performance once the circumstance has passed.

11. Communication and Turnaround Times

11.1 The Service Provider will respond to Client messages within one (1) business day. For Grace Premier clients, messages received before 17:00 on a business day will be responded to on the same business day.

11.2 Monthly reports will be delivered by the date agreed in the Client's onboarding schedule, provided all required information has been received on time.

11.3 Where included in the Client's package (Grace Growth and Grace Premier), the Service Provider will send the Client a short note with the monthly reports ("Grace Notes"), setting out in plain language the same three figures each month (cash in the bank, money in, and what the business kept, being its profit), each compared with the previous month, together with one suggested next step. Grace Notes are general information based on the Client's records, and are not tax, legal or financial advice. The monthly check-in to discuss the reports takes place by WhatsApp or text message, or by call for Grace Premier clients, at a time agreed with the Client.

11.4 Where included in the Client's package (Grace Growth and Grace Premier), the Service Provider will provide the Client with a calendar file of the Client's SARS and CIPC deadlines, confirmed with the Client during onboarding ("Grace Calendar"), and will send the Client a reminder a few days before each date. The Grace Calendar and its reminders are a courtesy in terms of clause 4.13. The Client, or its tax practitioner or other appointed professional, remains responsible for submitting returns and making payments by the applicable deadlines.

12. Complaints

12.1 Any concern about the service should first be raised directly with the Service Provider, in writing or by call, so that it can be resolved promptly and directly.

12.2 If a concern cannot be resolved directly, the Client may refer it to the Chartered Institute for Business Accountants (CIBA), of which the Service Provider is a member (membership number CIBA202609-2789).

13. Notices

13.1 Any formal notice under this agreement must be in writing and sent by email to the addresses provided by each party, and will be deemed received on the next business day after sending.

14. Entire Agreement and Severability

14.1 This Engagement Letter, together with these Terms and Conditions, Annexure A (POPIA Operator Agreement) and the Client Privacy Notice, constitutes the entire agreement between the parties and supersedes any prior discussions or agreements.

14.2 If any clause is found invalid or unenforceable, the remaining clauses continue in full force.

15. Amendments and Governing Law

15.1 These terms may be updated from time to time. The Client will be notified in writing of any material changes, which take effect thirty (30) days after notice unless the Client objects in writing.

15.2 This agreement is governed by the laws of the Republic of South Africa.

16. Electronic Signing and Acceptance

16.1 The parties agree that this Engagement Letter, these Terms and Conditions and Annexure A may be signed electronically, or accepted by a clear written electronic acceptance, including by email, as permitted by the Electronic Communications and Transactions Act 25 of 2002. An electronic acceptance must sufficiently identify the Client, the agreement concerned and the Client's intention to be bound by its terms.

16.2 The Client confirms that it received this Engagement Letter, these Terms and Conditions, Annexure A and the Client Privacy Notice, and had the opportunity to read them, before the services began.

Annexure A: POPIA Operator Agreement

Section 21 of the Protection of Personal Information Act 4 of 2013 (POPIA)

A1 Roles. For the personal information of other persons contained in the records the Client provides, such as its employees, customers and suppliers ("Client Personal Information"), the Client is the responsible party and the Service Provider is the Client's operator.

A2 Purpose and instructions. The Service Provider will process Client Personal Information only to render the services in the Engagement Letter, only with the Client's knowledge and authorisation, and not for any other purpose.

A3 Information processed. This may include employees' names, ID numbers, income tax numbers, remuneration, deductions and bank details shown in payroll reports, and the names, contact details and banking details of customers and suppliers shown in source documents and bank statements.

A4 Duration. Processing continues for the term of the engagement and, after it ends, only for as long as clause 7 and the law require records to be retained.

A5 Confidentiality. The Service Provider will treat Client Personal Information as confidential and will not disclose it, unless required by law or in the proper performance of the services.

A6 Security safeguards. The Service Provider will maintain appropriate, reasonable technical and organisational measures to prevent the loss of, damage to, or unauthorised destruction of, or unlawful access to or processing of, Client Personal Information. These include password-protected accounts with two-step verification where available, access limited to the Service Provider, reputable cloud-based systems, protected devices, and accepting documents by WhatsApp only in a direct chat on the Service Provider's business number, limited to slips and invoices, which are filed in the Client's records and then removed from the chat. Payroll reports, bank statements and identity documents are accepted only through AutoEntry or email.

A7 Service providers. The Service Provider uses Sage Accounting, Xero (where the Client uses it), AutoEntry, WhatsApp (for messages and, where the Client chooses, photos of slips and invoices), its email and hosting providers, AI assistant tools (to help draft and check work) and, where clause 2.2 applies, its assistants or subcontractors to render the services. Identity numbers and banking details are not entered into AI assistant tools, the Service Provider reviews everything they produce, and no decision about the Client or any person is made by automated means alone. It will use only reputable providers that are bound to protect the information, and any transfer outside South Africa will take place only as permitted by section 72 of POPIA.

A8 Security compromises. If the Service Provider has reasonable grounds to believe that Client Personal Information has been accessed or acquired by an unauthorised person, it will notify the Client immediately, give the Client the information reasonably available to it, and co-operate with the Client so that the Client can meet its obligations under section 22 of POPIA.

A9 Assistance. The Service Provider will reasonably assist the Client to respond to requests from data subjects and the Information Regulator that relate to Client Personal Information it processes.

A10 End of the engagement. When the engagement ends, the Service Provider will hand over Client Personal Information in accordance with clauses 7.3 and 8.3, keep copies only as clause 7.2 and the law require, and securely delete or destroy them once that period has ended.

A11 Client responsibilities. The Client confirms that it has a lawful basis for sharing Client Personal Information with the Service Provider, and that the persons concerned have been informed where required by POPIA, as set out in clause 4.12.

A12 Precedence. If this Annexure conflicts with any other part of the agreement on the processing of Client Personal Information, this Annexure prevails.

Agreed and Accepted

This signature covers the Engagement Letter, the Terms and Conditions and Annexure A above. By signing, the Client confirms that it received these documents and the Client Privacy Notice, and had the opportunity to read them, before the services began.

For the Client

Full name:

Capacity (e.g. Owner, Director):

Signature:

Date:

For Caitlyn Bookkeeping (Pty) Ltd

Name: Caitlyn Crous, Director

Signature:

Date:

Thank you for trusting me with your business. I look forward to working with you.