



Private and confidential

Mr Hermann Erdmann
Chief Executive Officer
The Recycling Economic Development Initiative of South Africa NPC
4th Floor, Sunclare Building
21 Dreyer Street
Claremont
Cape Town
7735

30 August 2016

Dear Mr Erdmann

Extension of mandate: Review of the operational compliance of the Recycling and Economic Development Initiative of South Africa NPC (“REDISA”) to the Integrated Industry Waste Tyre Management Plan (“the Plan”) and consideration of matters relevant to the Plan

1. Thank you for asking us to further assist in the above matter.
2. Our letter of engagement with you (**Annexure 1**), dated 22 July 2016, mandated us to perform an operational review over REDISA and to evaluate its operations in terms of the stipulations laid down by the Plan (“initial review”). Currently, this review is still in process.
3. During a meeting held with Ms Stacey Davidson (REDISA Director) (“Ms Davidson”) and Ms Louise Lackenby (Kusaga Taka Chief Executive Officer) (“Ms Lackenby”) on 26 August 2016 we noted that you require a further review in this regard. This review should focus solely on the period 1 March to 31 August 2016 (“the review period”) and should take into account 100% of the activity that occurred during the review period.
4. You requested us to assist you with the matter and we agreed on the following procedures to be performed:
 - a) Obtain listings and detail for all operations and activity of REDISA, specifically mandated by the Plan, for the review period. This will include, but is not limited to, the controls, processes and transactions evaluated as part of our initial review;
 - b) Perform an evaluation on all of these identified operations and activities for the specified period. This should be performed based on our understanding of the Plan’s identified requirements, as identified during our initial review; and
 - c) Include the findings obtained in this regard in the reporting deliverable to accompany the work performed and findings obtained during our initial review.
5. Our estimated fee for performance of the procedures included above is R1,213,000 and is based on 2.5 weeks of work.

*PricewaterhouseCoopers Advisory Services (Pty) Ltd, Reg. no. 1999/024417/07
2 Eglin Road, Sunninghill 2157, Private Bag X36, Sunninghill 2157, South Africa
T: +27 (11) 797 4000, F: +27 (11) 209 5071, www.pwc.com/za*

M A O’Flaherty – National Advisory Leader
The Company’s principal place of business is at 2 Eglin Road, Sunninghill where a list of directors’ names is available for inspection.



6. Please note that all the terms and conditions included in our letter of engagement (**Annexure 1**) and our terms of business which accompanied the letter are applicable to this extension of our mandate.
7. Please do not hesitate to contact me if you would like to discuss any matter arising from this letter. We would be grateful if you would acknowledge your agreement to our understanding of the scope of our work, and your acceptance of the Contract, by signing and returning this letter to us.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Malcolm Campbell".

Malcolm Campbell
Director – Forensic Services

A handwritten signature in blue ink, located in the bottom right corner of the page.



PricewaterhouseCoopers Advisory Services (Pty) Ltd

I have read the above letter and the attached Appendix. I confirm that your understanding of our instructions is correct and that the terms of the Engagement set out in the letter and the attached Appendix shall constitute the agreement for you to carry out the Engagement.

Signed:



On behalf of:

REDISA NPC

Capacity in which signed:

Group CEO

Date:

02 / 09 / 2016

