

Termination Policy



SECTION A

Section A is only applicable to individuals and does not apply to transactions entered into and between juristic persons regardless of their annual turnover or asset value.

This policy is aimed to promote EGate's compliance to customers and as proof of how much we value and respect our Customers business.

Although reasonable cancellation fees is not prescribed by the CPA, the definition of reasonable includes a number of factors.

Upon early cancellation of the service agreement as contemplated in the CPA:

- a. The Customer will remain liable to EGate for any amount owed in terms of the Service Agreement up to the date of the actual cancellation thereof;
- b. EGate may impose a reasonable cancellation penalty with respect to any goods supplied, services provided, or discounts granted, to the consumer in contemplation of the agreement enduring for its intended term.

Subsection 4(four) refers to the regulations, which state: A reasonable charge as contemplated in section 14(4)(c) of the CPA may not exceed a reasonable amount, taking into account:

- a. The amount which the customer is still liable for to the EGate up to the date of cancellation;
- b. The value of the transaction up to cancellation;
- c. The value of the goods which will remain in the possession of the consumer after cancellation;
- d. The value of the goods that are returned to the supplier;
- e. The duration of the consumer agreement as initially agreed;
- f. Losses suffered or benefits accrued by consumer as a result of the consumer entering into the consumer agreement;
- g. The nature of the goods or services that were reserved or booked;
- h. The length of notice of cancellation provided by the consumer;
- i. The reasonable potential for the service provider, acting diligently, to find an alternative consumer between the time of receiving the cancellation notice and the time of the cancelled reservation. The general practice of the relevant industry.

Notwithstanding sub-regulation (2) above, EGate will not charge a charge which would have the effect of negating the customer's right to cancel consumer agreement as a offered to the consumer by the Act.

Subscription fees include the devices costs, fencing cost of the equipment and other costs invested in providing the service to the customer. Other costs may include licensing fees to host subscribers on the network, provisioning and de-provisioning costs, installation and removal cost, any outstanding amount and costs to service subscribers such as call center support.

Currently, until the CPA set out as to what is reasonable, EGate shall calculate a reasonable cancellation fee as being the total monthly cost of the services and/or equipment rental, multiplied with the remaining period left on the contract, less 10% (ten percent) early settlement discount.

EGate however, will not merely construe the aforesaid as a predetermined set penalty but will treat each case on its merits.

Where applicable, if EGate and the Customer agreed to a sliding scale in respect of a permitted penalty charge that relates to the period of the contract and the point at which it is cancelled, such cancellation fee shall apply.

SECTION B

Section B is applicable to both individuals and Legal Entities.

In the event of termination, EGate shall remove its equipment (rented and not fully paid for) from the premises of the Customer and the Customer shall be liable to EGate for a labour fee amounting to R850.50 (In VAT) as well as a fee of R2700 (In VAT) if equipment is recovered and in good working condition. If equipment is not recoverable or in working condition the fee will be R 3980 (In VAT).