SMARTCOMMUTE™ COMMUTER RESILIENCE FUND

Fund Terms and Conditions

CRP/FUND/2026/001 | v4.6 | 25 July 2026 | CONFIDENTIAL

1. THE FUND

1.1 Establishment

The SmartCommute Commuter Resilience Fund ("the Fund") is established and administered by Community Development Initiatives International NPC ("CDII"), Reg. No. 2012/201981/08, PBO No. 930 041 456, as a dedicated social welfare fund within CDII's approved public benefit activities.

1.2 Purpose

The Fund's purpose is to receive contributions from Participating Employers and to disburse Social Ex Gratia Payments to qualifying employees and programme participants of Participating Employers arising from the sustained multi-factor cost-of-living creep since April 2026, in accordance with CDII's independent programme criteria. The Fund operates on a two-track model: Track 1 disbursements are made via the Participating Employer's payroll to employed participants; Track 2 disbursements are made directly by CDII to non-employee participants (unemployed learners in registered learnerships and stipend-only interns) from the Fund, without employer payroll involvement.

1.3 Bank account

The Fund is held in a dedicated bank account in the name of CDII — SmartCommute Commuter Resilience Fund. All employer contributions are credited to this account. All disbursements are made from this account pursuant to CDII's Disbursement Notices.

1.4 Open programme

The Fund is open to contributions from any qualifying employer in any industry across South Africa. No employer is guaranteed participation. CDII reserves the right to decline any application to participate.

1.5 Track 2 Direct Disbursement

In addition to Track 1 disbursements made via Participating Employer payrolls, CDII may disburse Social Ex Gratia Payments directly from the Fund to Track 2 participants who do not hold an employment contract with the Participating Employer. Track 2 eligible participants are: (a) unemployed learners enrolled in learnerships registered in terms of section 17 of the Skills Development Act 97 of 1998; and (b) stipend-only interns who receive a training stipend from the Participating Employer but do not have a contract of employment. Track 2 disbursements are made at CDII's independent discretion and do not pass through the Participating Employer's payroll. The inclusion of Track 2 participants broadens the Fund's beneficiary base and strengthens the Fund's character as an independent social welfare instrument.

2. CONTRIBUTIONS

2.1 Contribution structure

Each Participating Employer makes a monthly contribution to the Fund equal to the total gross Social Ex Gratia Payment for its Qualifying Employees for that month (structured across three salary Bands: Band A R600/month; Band B R575/month; Band C R550/month, as specified in each Disbursement Notice), plus the CDII Administration Fee of 7.5% of the total monthly disbursement amount.

2.2 Non-earmarked pooled fund

Contributions from all Participating Employers are pooled in the Fund. No Participating Employer's contribution is earmarked for the benefit of its own employees only. CDII retains full discretion over the deployment of all Fund monies, subject to the Fund's purpose.

2.3 Non-refundable

Contributions made to the Fund are non-refundable. Upon contribution to the Fund, the Participating Employer permanently and unconditionally parts with the contributed amount. CDII may apply the funds to benefit qualifying employees of any Participating Employer, in accordance with CDII's independent assessment of need.

2.4 Tax Treatment of Contributions

Each Participating Employer's contribution to the Fund is deductible as staff welfare expenditure under section 11(a) of the Income Tax Act 58 of 1962. This is the **primary tax treatment** and is available without further election or qualification. Alternatively, a Participating Employer may elect to treat its contribution as a donation to CDII under section 18A of the Income Tax Act, in which case CDII will issue a Section 18A Certificate within 30 days of receiving each monthly contribution. The section 11(a) and section 18A routes are mutually exclusive in respect of any single contribution. The availability of the section 18A deduction is not guaranteed and is subject to SARS's assessment of the substance of the programme. Participating Employers are advised to confirm their preferred tax treatment with an independent tax adviser. B-BBEE Socio-Economic Development qualification under Statement 500 or 605 is unconditional and independent of the tax route elected.

3. CDII'S INDEPENDENT DISCRETION

3.1 Full discretion

CDII retains full and independent discretion over all aspects of the Fund's administration, including: (a) eligibility criteria for qualifying employees; (b) the amount of each Social Ex Gratia Payment; (c) the identification of Qualifying Employees; (d) the continuation or termination of the programme; and (e) the allocation of Fund monies among Participating Employers' employees.

3.2 Independence from employers

No Participating Employer may direct, influence, or restrict CDII's exercise of its discretion in respect of the Fund. Requests from Participating Employers regarding employee eligibility are submitted to CDII for CDII's independent assessment only.

4. FUND GOVERNANCE

4.1 CDII governance

The Fund is governed by CDII's Board of Directors in accordance with CDII's Memorandum of Incorporation and applicable NPC and PBO obligations.

4.2 Audit and reporting

CDII will maintain complete and accurate records of all Fund contributions and disbursements. These records are available to Participating Employers in respect of their own contributions upon written request.

4.3 Surplus funds

Any surplus remaining in the Fund after all disbursements for the Programme Period have been made will be applied to CDII's approved public benefit activities at CDII's discretion.

5. DURATION

5.1 Programme Period

The Fund operates for the period **1 August 2026 to 31 October 2026**, subject to early termination upon a Sunset Event: (a) **31 October 2026**, unless extended or renewed at the Participating Employer's discretion; or (b) written notice from CDII, acting as Programme Administrator, following its determination of a material macroeconomic development or a material company-specific event substantiating that circumstances have materially changed.

Extension of the Programme Period beyond 31 October 2026 is at the election of each Participating Employer, recorded by amendment to Schedule 1 of the Programme Participation Agreement and confirmed in writing by CDII. An extension does not alter these Fund Terms.

5.2 Post-termination

Upon termination of the Programme Period, CDII will make no further Disbursement Notices and the Fund account will be closed or re-allocated to CDII's approved public benefit activities as resolved by the CDII Board.

These Fund Terms are authorised by resolution of the CDII Board of Directors and are effective from the date of first contribution to the Fund.

Adv. Don Leffler
Director, CDII

Signature Date: _______________

Louw Allan
Director & Information Officer, CDII

Signature Date: _______________