DEFINITIONS

1.1.　"Activation Key" or "Authorisation Code" means the key required to enable Initial Registration and Use of the Software;

1.2.　"Agreement" means the terms and conditions set out in this document together with the Order Form and any appendices hereto, and the Software Licence Terms which are incorporated herein by this reference;

1.3.　"Business Hours" means the hours of 08h00 to 17h00 on a Monday to Thursday, 08h00 to 16h30 on a Friday and 09h00 to 12h00 on a Saturday in South Africa, excluding official public holidays;

1.4　"Company" means Sage Pastel Payroll & HR, a divisions of Sage South Africa (Pty) Ltd (2003/15693/07), whose registered office is at Sage Technology Park, 102 Western Services Road, Gallo Manor Ext 6, Johannesburg, 2191;

1.5.　"Consumer Price Index" means the average year-on-year percentage change in the Consumer Price Index for all urban areas as published in the Statistical News Release compiled by Statistics South Africa (or its successor in title) for the preceding 12 (twelve) months;

1.6.　"Contract Period" means each successive 12 (twelve) calendar month period during the term of this Agreement, as measured from the Effective Date;

1.7.　"Customer" means the business entity or person with whom Company enters into this Agreement, and represented by the signatory hereto and whose domicilium is that reflected on the Order Form and this form below;

1.8.　"Documentation" means the program specifications that are set forth in the Software, the help files and any release related notes, guides or manuals that Company publishes specific to the current version of the Software;

1.9.　"Effective Date" means the date of acceptance of this Agreement by Company;

1.10.　"Initial Registration" means the initial supply and registration of the Software and Documentation by Company, subject to (i) Customer's successful purchase

of the Software on Customer's hardware in terms of the Software Licence Terms
and (ii) receipt of payment in terms of clause 3.1;

1.11. "Maintenance Software" means Software updates that Company makes
available to Customer by virtue of this Agreement, such as bug fixes, patches,
enhanced functions, missing plug-ins and new versions;

1.12. "Order Form" means the order form or quotation document to which these terms and
conditions are attached, detailing the Flex Payment Option Fee and other commercial
provisions applicable to this Agreement;

1.13. "Software" means the proprietary software applications developed and/or
licensed by Company (as the case may be) and any successor software
applications, as amended, updated and enhanced from time to time, as indicated
in the Order Form, including, without limitation, the install routine;

1.14. "Software Licence Terms" means the terms and conditions that are specific to
the Use of the Software, as amended from time to time, a copy of which can be
found at www.pastelpayroll.co.za, or can be made available upon request, or
of which is available on the software provided by company;

1.15. "Licence" means a licence to Use the Software and Documentation in
terms of this Agreement, subject to termination or suspension as provided for
hereunder;

1.16. "Annual Licence Fee" means the charge to annualy renew the continued Use of the
Software and Documentation;

1.17. "Use" means to load, execute, store, transmit, display or otherwise utilise the
Software for legitimate business purposes, subject to this Agreement and the
Software Licence Terms;

ANNUAL LICENCE FEE

2.1. Company shall supply the latest version of the Software and Documentation to
Customer, who purchases a Licence thereto, on and subject to the terms
and conditions contained in this Agreement.

FEES AND PAYMENT

3.1.   In consideration for the Use of the Software and Documentation, Customer shall

pay Company the Software and Annual Licence Fee upon Initial Registration of the

Software, and thereafter an Annual Licence fee only, the initial amount as indicated

 in the Order Form, and subject to amendment as and when Annual Licence Fee increases

are implemented.

3.2.   Time for payment shall be of the essence of this Agreement. If any amount

payable is in arrears, then, without prejudice to any other rights and remedies it

may have, Company shall be entitled to suspend the performance of any of its

obligations under this Agreement, including, without limitation, suspending

Customer's right to Use the Software and Documentation, without Company

incurring any liability to Customer or any third party.

3.3.   Failure to pay any amount on the due date shall entitle Company, without

prejudice to any other rights or remedies it may have, to charge interest on a

daily basis at 2.5% (two comma five percent) per month from the due date of

payment to the actual date of payment.

3.4.   Unless otherwise agreed between the parties in writing, all payments under this

Agreement shall be made via electronic fund transfer (EFT) into Company's account,

free of deduction or set-off.

REGISTRATION

4.1.   In order to enable Use of the Software, Customer must complete the Initial

Registration process by:

4.1.1.   installing the Software on Customer's hardware using the installation

DVD provided, completing the prompted installation process and

accepting the Software Licence Terms; and

4.1.2.   following the Registration Assistant wizard, entering the unique base

serial number for the Software and entering Customer's registered

company name. After entering these details, an access code will be

displayed which will be required to generate a valid Activation Key.

CUSTOMER'S RIGHTS

5.1. Subject to payment in terms of clause 3, Customer shall acquire the

right to:

5.1.1. Use of the Software and Documentation;

5.1.2. update(s) and upgrade(s) of the Software and Documentation,

as and when they become available; and

5.1.3. e-mail or telephone support, for that period only in respect of which Company

has received the Flex Payment Option Fee.

5.2. Failure to pay any amount on the due date will result in, inter alia, the

suspension of Customer's rights under this clause 5.

FEE INCREASES

6.1. Company shall be entitled to increase the Annual Licence Fee on the following

terms:

6.1.1. Company will annually increase the Fees on 1 January each year.

Customer shall be responsible for providing Company with its most current

contact and billing information.

6.1.2. Where the increase in the Annual Licence Fee does not exceed the

Consumer Price Index plus 5% (five percent), such increase shall take

effect automatically on 1 January every calendar year.

6.1.3. Where the increase in the Annual Licence Fee exceeds the Consumer

Price Index plus 5% (five percent), Customer shall be entitled to

terminate this Agreement on no less than 30 (thirty) days' written notice

to Company, such notice period to expire upon expiry of the notice

period indicated in 6.1.1.

TERMS AND TERMINATION

7.1. This Agreement shall commence on the Effective Date and shall continue

for an initial period of 12 (twelve) month thereafter ("the termination date"). If no

notice of termination is given at least 120 (one hundred and twenty) business days

after the termination date, this Agreement shall automatically be terminated and the

provisions hereof shall apply, mutatis mutandis, in respect of future periods.

7.2.   Company may terminate this Agreement summarily if –

    7.2.1.   Customer breaches any terms of this Agreement and fails to remedy same within 20 (twenty) business days of receipt of written notification;

    7.2.2.   Customer fails to pay any amount due in terms of this Agreement on the due date;

    7.2.3.   Customer commits an act of insolvency as defined in the Insolvency Act.

7.3.   Any fees paid to Company where Termination Date is in a future date, will not be refunded, regardless of termination of contract.

COMPANY RIGHTS AND OBLIGATIONS

8.1.   Company shall use its reasonable endeavours to support the Software during the term of this Agreement by providing telephonic and e-mail support during Business Hours.

8.2.   Company, in its sole discretion, reserves the right to issue new versions of the Software and Documentation.

THE CUSTOMER'S OBLIGATIONS

9.1.   The Customer undertakes –

    9.1.1.   to adhere to the Software Licence Terms; and

    9.1.2.   to pay the Licence Fee as and when same becomes due.

MAINTENANCE SERVICES

10.1.   Company shall endeavour to provide Maintenance Software at such times as it in its sole discretion shall determine.

10.2.   Customer undertakes that it shall institute any Maintenance Software in line with Company's recommendations and keep the Software and Documentation up to date and in line with Company's system specifications and pay all costs

associated therewith. Customer shall ensure that its staff has the capability of carrying out the obligations as aforesaid.

10.3.   Should Customer fail to install such Maintenance Software correctly or at all in accordance with Company's instructions, Company shall have the right to charge for services rendered in this regard at average rates.

10.4.   The Software may contain auto-update technology to provide Maintenance Software. By completing the Initial Registration, Customer consents to the transmission of standard computer information and the automatic downloading and installation of Maintenance Software.

LIABILITY

11.1.   Company makes no warranties and representations, whether express or implied, in respect of the Software, the disks or the Documentation attaching to the Software and in no event will Company be liable for direct, indirect, special, incidental or consequential damages arising out of the Use or inability to Use the Software or Documentation, even if advised of the possibility of such damage. In addition, Company specifically does not warrant or guarantee or make any representations concerning the Use of or the result of the Use of the Software and the Software is purchased at the sole risk of Customer. Any claim which Customer may have arising out of the warranty provided by Company to Customer referred to as foresaid shall be limited to Company either replacing or repairing the Software at the sole discretion of Company.

NOTICES

12.1.   The parties choose as their domicilia citandi et executandi the addresses set out on the Order Form for the purpose of serving any documents or legal process in regard hereto.

12.2.   Any notice given, and any payment made by a party to the other ("the addressee") which:

12.2.1. is delivered by hand during the normal business hours of the addressee

at the addressee's domicilium for the time being shall be presumed,
unless the contrary is proved by the addressee, to have been received
by the addressee at the time of delivery; provided that, if the delivery is
effected by or on behalf of Customer at Company's domicilium, the
presumption shall only apply as regards Company if proof of receipt is
obtained by the party effecting such delivery and duly produced as may
be required to prove such delivery;

12.2.2. is posted by pre-paid registered post from an address within the
Republic of South Africa to the addressee at the addressee's domicilium
for the time being shall be presumed, unless the contrary is proved by
the addressee, to have been received by the addressee on the 10th
(tenth) day after the date of posting.

GENERAL

13.1. This Agreement constitutes the entire agreement between the parties. No
variation, addition or cancellation of this Agreement or any waiver of any rights
shall be of any force unless reduced to writing and signed by the parties.

13.2. No indulgence, leniency or extension of time which Company may show to
Customer shall in any way prejudice Company or preclude Company from
exercising its rights in the future.

13.3. If any provision of this Agreement is found to be void, invalid or unenforceable, it
shall be severed from and shall not affect the remainder of this Agreement, which
shall remain valid and enforceable. Any such severed provision shall be replaced
with a similar provision which conforms to applicable law and embodies as
closely as possible the original intent of the parties.

13.4. This Agreement and all matters or disputes arising therefrom or incidental thereto
shall be governed and construed in accordance with the laws of the Republic of
South Africa.

13.5. Any provision in this Agreement which when reasonably read as intended to
survive the termination of this Agreement shall survive, including, without

limitation, the disclaimer of warranties and limitations of liability.

13.6. Customer hereby gives Company permission to send it information regarding Company's products and services by various delivery methods, including via facsimile, e-mail and SMS.

13.7. The Customer hereby agrees to accept electronic documents (tax invoices, Debit and Credit Notes) as required by the VAT act.

13.8. The customer hereby agrees that we may collect data from time to time that verifies the circumstances under which you are using the Product, including the number of employees within your organisation and the IP address or other address of the computer on which the computer, network or other device on which the software is installed. The collection of such data will assist us in preventing the use of the Product other than in accordance with this Agreement or any other licence issued by us, to enforce our rights in terms of the Agreement, to enable us to market the Product more effectively, and for other purposes related to the Product and our business. Subject to the provisions of this Agreement we may collect any personal data from your employees or companies you create using the Product.

JURISDICTION

14.1. Customer, by its signature hereto and in terms of the provisions of Section 45 of the Magistrate's Court Act No 32 of 1944,as amended, consents to the jurisdiction of the Magistrate's Court in relation to any action or proceeding instituted against Customer in terms of, or arising out of provisions of this Agreement, provided that Company, in its sole and absolute discretion, shall be entitled to institute any such actions or proceedings, in any division of the High Court of South Africa possessed of the requisite jurisdiction.

14.2. In the event of Company instituting legal proceedings against Customer to recover amounts due to Company or take any other legal steps arising out of this Agreement, Customer shall be liable for legal costs on the scale as between attorney and own client and/or any collection costs.