

LICENCE AGREEMENT

Entered into between

PAYDAY SOFTWARE SYSTEMS (PTY) Ltd
(Hereinafter referred to as "the Licensor")

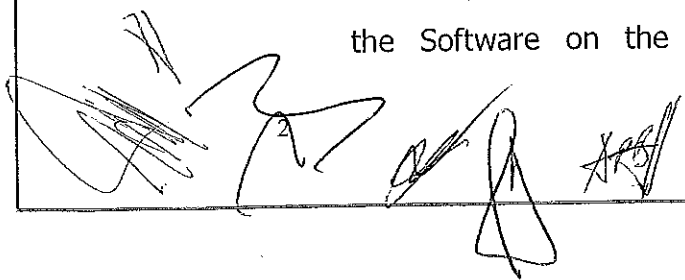
and

HANTAM LOCAL MUNICIPALITY
(Hereinafter referred to as "the Licensee")

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1. DEFINITIONS

- 1.1 "Software" shall mean computer programme-software being the property of the Licensor as listed in Annexure "A" hereto; including possible updates thereof and related material.
- 1.2 "related material" shall mean technical data such as (but not limited to-) manuals, flow charts, logic diagrams, print-outs and listings provided by the Licensor to end-users in connection with the licensed Software.
- 1.3 "use" shall mean entering or copying the Software or any portion thereof into a system or machine and/or transmitting such data for processing thereof in any way.
- 1.4 "the/this Agreement" means the agreement set out in this document together with all Annexures hereto; and the Parties agree that the latter will form part of this document as if integrated herein.
- 1.5 "the Effective Date" shall be from date of purchase; being the date on which this Agreement comes into full force and effect irrespective of the date of signature of this document by any Party.
- 1.6 "Intellectual Property" means all patents; trade marks; designs; copyright; source codes; inventions; trade secrets; and generally all information, technology and knowledge in the field of Information Technology other than that which is generally known and/or applied in the said field (irrespective of the fact that all or any of the aforesaid may be registered or not; or being capable of registration or not).
- 1.7 "license", as well as all its flectional forms, means the right to use the Software on the terms and conditions stipulated in this

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Agreement and shall NOT refer to any allowance in favour of the Licensee or anybody else regarding rights to Intellectual Property.

1.8 "a Party" shall refer to the Licensor or the Licensee and "the Parties" shall refer to both of them. Natural persons which might have interests in either of them as directors, shareholders, members, employees, agents, trustees, etc. shall be included in the term "Party" only where this Agreement deals with the Parties' obligations pertaining to confidentiality and Intellectual Property rights.

1.9 "Confidential Information" shall refer to Intellectual Property pertaining to products developed by the Licensor including, but not necessarily limited to, the Software; and including any information which causes unfair competition as defined in the South African Law of delict.

1.10 "AFSA" means the Arbitration Foundation of Southern Africa, or its successor in title.

2. LICENSE GRANTED

A non-transferable and non-exclusive license to use the Software is hereby granted by the Licensor to the Licensee.

3. SCOPE OF LICENSE

3.1 The Licensee will use the Software only on the equipment or system designated in the Annexures and only in conjunction with such equipment or system.

3.2 The Licensee will use the related material only in support of its use of the Software; and furthermore only on the equipment or system designated by the Licensor.

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3.3 The Licensee could copy the Software and related material only in as much as same would be inevitable so as to exercise its rights in terms of this Agreement.

3.4 A separate licence will be required for each item of equipment or system on which the Software will be used, but the Licensee is authorised to use the Software on a back-up system - should the primary system be temporarily out of order; until such time as the operable-status is restored and processing on the back-up system is completed.

3.5 The Licensee shall not use, print, copy or display the Software and/or related materials in any way; except as is expressly provided for in this Agreement.

3.6 Each additional licence for Software and related material requires an Agreement supplement, signed by both Parties.

4. DURATION

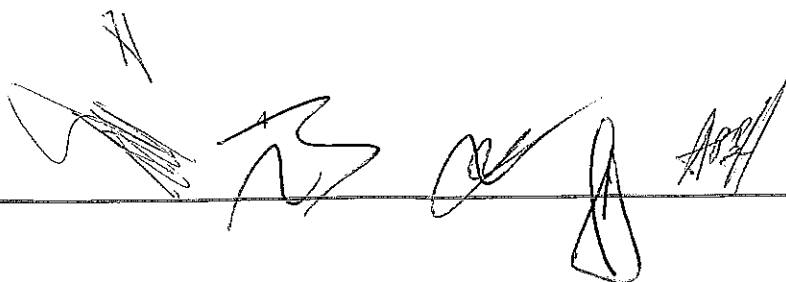
The licence shall be effective from the Effective Date and shall remain in force for a period of 36 months (until end of June 2013), or until:

4.1 either Party might breach any term of this Agreement and fails to remedy such breach within seven (7) days after receipt of written notice from the other Party calling upon it to do so; or

4.2 either Party might be liquidated (either provisionally or finally) or be placed under judicial management; or

4.3 Either Party might perform any act of insolvency; or

4.4 The contract will be automatically renewed on anniversary date.



5. LICENCE FEE

- 5.1 The Licensee shall pay the Licensor the amount stated in Annexure "B" hereto, for the right to use the Software. The said amount shall be payable as long as this Agreement is in force; free of any set-off or deductions and irrespective of the extent to which the Software might actually have been utilized in any given period or possible problems incurred in this regard.
- 5.2 The Parties agree on fees and tariffs with regard to maintenance, installation, run-time, after-sales consultation fees, and training; as stated in Annexure "B" hereto.
- 5.3 In order to cover increases in operating-costs, the Licensor shall have the right to increase the fees mentioned in Clause 5.2 above with a maximum of the consumer price index in any given calendar-year.

6. RISK AND DELIVERY

- 6.1 In lieu of a written statement to the contrary as mentioned in Clause 6.2 by the Licensee, the latter shall be deemed to have received any material and/or services due by the Licensor in terms hereof in good order either upon delivery thereof; or upon the Licensor issuing a delivery-note, invoice, or other delivery-confirming documentation - whichever occurs first.
- 6.2 Should the Licensee not receive material and/or services due from the Licensor in a satisfactory condition or at all, this shall be communicated by the Licensee to the Licensor in writing within 3 (three) days after delivery; directed to the address confirmed in Clause 19 below. After receipt of such notice, the Licensor shall

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rectify any deficiencies (should the latter exist) as soon as is reasonably possible under the circumstances.

- 6.3 All risk pertaining to any material supplied in good order by the Licensor, shall pass to the Licensee immediately upon delivery of same to the Licensee.

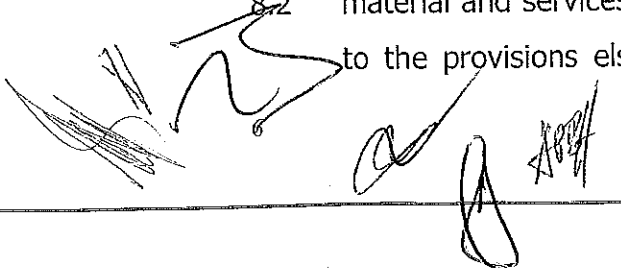
7. MAINTENANCE AND ALTERATIONS

- 7.1 The Licensor will provide training and maintenance regarding the Software including updated or revised versions thereof; at time-intervals, to the extent- and against remuneration which the Parties should agree on in writing as set out in Annexure "B" hereto.
- 7.2 The Licensor reserves the right to alter, improve, modify or otherwise change the Software due to legislation and/or improvement and/or the action of any third party. The Licensor shall endeavor to exclude or minimize detrimental consequences this may have for the Licensee; but will not be liable for damages which may result in this regard.
- 7.3 Prior to any such alterations, the Licensor shall communicate same to the Licensee in writing as soon as possible under the circumstances.

8. WARRANTIES

The Licensor warrants that:-

- 8.1 it has the right to grant the Licensee a license to use the Software in compliance with this Agreement;
- 8.2 material and services due in terms hereof will be delivered (subject to the provisions elsewhere herein) by qualified personnel within

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agreed periods of time as set out in the Annexures hereto;
alternatively, within a reasonable time all relevant circumstances
taken into account;

- 8.3 it will, at it's own costs, correct or replace and/or provide
substituting material necessary to remedy any error on the
Software which is attributable to the Licensor – subject to the
provisions of Clause 12 below;
- 8.4 if and when the Licensor might cease to carry on business for any
reason, the Licensee shall be supplied with source code pertaining
to the Software; to be kept by the Licensee in safe custody whilst
observing the latter's duties regarding confidentiality as set out
elsewhere herein;
- 8.5 The Software does not infringe on the Intellectual Property rights
of any third party.

9. INDEMNITY

- 9.1 If any claim due to alleged infringement on Intellectual Property
rights is directed against the Licensee by virtue of it's use of the
Software, the Licensor indemnifies the Licensee against any direct
damages it may actually suffer due to such claims, provided that
the Licensee notifies the Licensor in writing of such claim(s) within
three (3) days after the date on which the Licensee becomes aware
thereof.
- 9.2 The said indemnity is subject thereto that the Licensor shall have
the exclusive right to conduct and direct all legal- and other
proceedings, investigations, defenses or settlements regarding such
claims; and further subject thereto that the Licensor shall receive -
upon request- any co-operation and assistance from the Licensee in
doing so.

10. OWNERSHIP OF THE SOFTWARE

10.1 The ownership and all Intellectual Property rights pertaining to the Software, all additions thereto, all revisions thereof and related material, remain at all times with the Licensor.

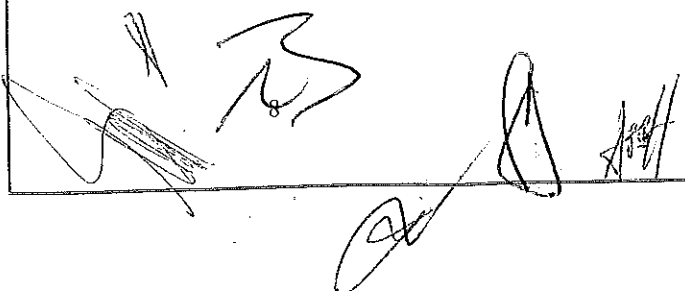
10.2 No copy of the Software or related material shall at any time be created without prior written consent from the Licensor. If the latter should approve of any such copies in writing as aforesaid, the ownership and Intellectual Property rights pertaining to them shall similarly vest in the Licensor as stated in Clause 10.1 above and the Licensor shall be notified in writing of the nature, extent and numbers of copies which have been created. All such copies, once approved, shall be kept at the Licensee's place(s) of business.

11. CONFIDENTIALITY AND NON-DISCLOSURE

11.1 The Licensee shall not disclose Confidential Information at any time during which this Agreement might be in force and for a period of 1 (in words: one year) thereafter (and irrespective of the circumstances of its termination) to any other person; except if the Licensor should expressly and in writing consent thereto – the onus of proof in any given instance in this regard being on the Licensee.

11.2 The Licensee shall not howsoever utilize, adapt, translate, alter, re-arrange or reproduce the results of Confidential Information for his own- and/or any other benefit, outside his use of the Software in terms of this Agreement.

11.3 The Licensee shall not alter or remove any details of ownership and/or Intellectual Property rights as might be indicated on any of

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the Software or related material; and always acknowledge same in the manner the Licensor might stipulate.

- 11.4 The Parties confirm that the said terms and conditions are completely justifiable and reasonable in view of the particular circumstances.
- 11.5 The Licensee shall inform all its relevant employees, agents and managers of the provisions of this Clause and take any steps as might be necessary from time to time so as to ensure their compliance with the said terms and conditions. Should the Licensee fail to do so, it will be liable jointly and severally together with the relevant individual(s), for the Licensor's damages in this regard.
- 11.6 At the termination of this Agreement for any reason whatsoever, the Software and related material will be returned to the Licensor immediately upon demand of the latter.
- 11.7 Should the Licensee not comply with the aforementioned, the Licensor shall be entitled to claim all damages, including indirect consequential damages it may suffer as a result.

12. EXCLUSION AND LIMITATION OF LIABILITY

12.1 Liability the Licensor allegedly incurred in terms of Clause 8.3 of

This Agreement will be completely cancelled in case of:

12.1.1 human error on the part of anyone other than a member or employee of the Licensor, and/or

12.1.2 Rectification or attempted rectification of any deficiency or supposed or alleged deficiency pertaining to the Software by anyone other than the Licensor.

12.2 In case of reasonable suspicion regarding any of the above exclusion-grounds, the Licensor's liabilities will be suspended until an impartial, expert arbitrate probe into the circumstances had been completed according to the provisions of Clause 18 below.

12.3 The Licensee will utilize the Software at its own risk, and under no circumstances will the Licensor be held liable by anyone for any damages of whatever nature, which may arise or allegedly arise from the Licensee's use of the Software. The Licensee herewith indemnifies the Licensor against any such possible claims by third parties.

13. UNDERTAKING UPON TERMINATION

Should this Agreement be cancelled for whatever reason, the Licensee shall return the Software including all copies thereof, and related material together with all copies thereof, to the Licensor.

14. DELEGATION AND ASSIGNMENT

14.1 Neither Party shall delegate its obligations in terms of this Agreement and any purported delegation in breach hereof shall be null and void.

14.2 The licensee will not assign any of its rights in terms of this Agreement to any third party.

15. FORCE MAJEURE

Neither Party will be liable to the other for any delay in- or failure to perform its obligations (other than the payment of money) as a result of

any cause beyond its reasonable control; including but not limited to any industrial dispute. If such delay or failure continues for 90 (NINETY) days or more, either Party will be entitled to terminate the Agreement by notice in writing.

16. DOMICILIUM

16.1 The Parties select as their respective *domicilia citandi et executandi* for purposes of accepting any documentation, legal services or notices given in terms hereof, the following addresses:

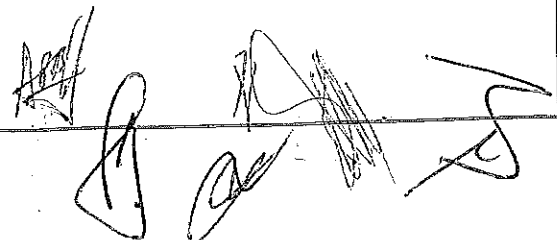
16.1.1 The Licensor: Payday House
382 Rossouw Street
MURRAYFIELD, 0184
Box 75189
Lynnwood Ridge
0040

16.1.2 The Licensee: _____

Faximilee: _____

16.2 Each Party will be entitled from time to time to change it's above-mentioned details (by written notice to the other) to any other address within the Republic of South-Africa which is not a post office box or poste restante.

16.3 A notice will be presumed received if mailed by prepaid registered post: FIVE days after despatch thereof; if delivered by hand: on the day receipt is acknowledged; and if faxed: on the date indicated on the relevant faximilee-confirmation slip.



17. BREACH OF AGREEMENT

17.1 Should either Party commit a breach of this Agreement and fails to remedy same despite written demand from the aggrieved Party to do so within SEVEN days; the aggrieved Party shall be entitled to either cancel this Agreement or claim specific performance. Should the Licensor be the aggrieved Party, it shall additionally have a claim for damages in either case.

17.2 All claims by the Parties in terms of this Agreement shall be referred to arbitration as stipulated in Clause 18 below.

18. ARBITRATION

18.1 Disputes relating to this Agreement will be resolved by arbitration as stipulated in Clause 17 above.

18.2 This Clause shall be severable from all the other Clauses in this Agreement.

18.3 The arbitration will be performed by a person or maximum three persons; all being acceptable to all the Parties and qualified in the field of the dispute.

18.4 The arbitration will be performed according to the rules, at the time, and at the place as agreed on between the Parties.

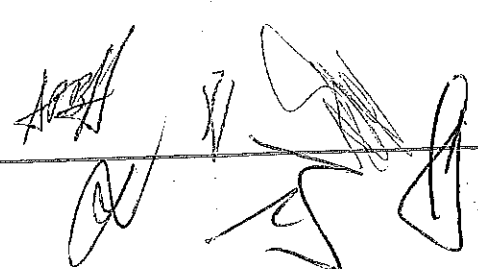
18.5 Should the Parties fail to reach agreement on any aspect regarding arbitration, the decision of AFSA will be final and binding on the Parties; as would be the finding of the arbitrator(s), which finding could be made a court-order upon the request of either Party.

18.6 The costs of arbitration will be borne by the Party against whom is essentially decided.

18.7 The provisions of this Clause will not preclude any Party from obtaining urgent relief and/or an interdict in a competent court of law.

GENERAL

- 19.1 This document together with the Annexures hereto constitutes the entire Agreement between the Parties, who will have no rights or obligations other than those set out herein.
- 19.2 No alteration or addition hereto will have any force or effect unless reduced to writing and signed by duly authorized representatives of the Parties as well as at least two witnesses.
- 19.3 No agent, employee or representative of either Party will have the authority to bind such Party to any affirmation, representation or warranty and, unless such is specifically included within this Written Agreement or a properly signed Annexure, it shall not have any force or effect.
- 19.4 No relaxation or indulgence shall howsoever prejudice the rights of the indulging Party.
- 19.5 Headings are inserted herein solely for purposes of convenience, and shall not howsoever be taken into account at the interpretation hereof.
- 19.6 Unless the context clearly indicates otherwise, a reference in the singular shall include the plural and *vice versa*; similarly, a reference in any one gender shall include the other gender and *vice versa*.
- 19.7 This Agreement shall be adjudicated in accordance with the Laws of the Republic of South-Africa.

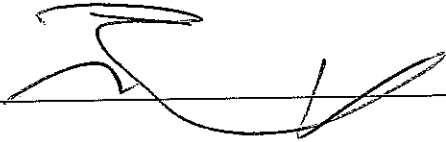


20. RESOLUTION

The natural persons signing this Agreement on behalf of the Parties are duly authorised to do so, as confirmed by the respective Resolutions of the governing bodies of the Parties attached hereto as Annexure "A".

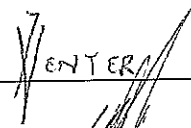

THUS DONE AND SIGNED BY THE LICENSOR AT Pretoria

ON THIS 10th day of November 2010



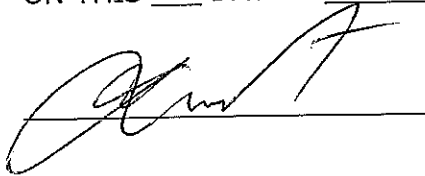
on behalf of the Licensor, duly authorized thereto

AS WITNESSES:

1.  _____
2.  _____

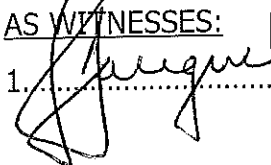
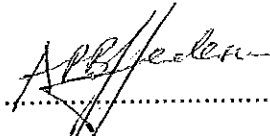
THUS DONE AND SIGNED BY THE LICENSEE AT _____

ON THIS ___ DAY OF _____ 20__.



On behalf of the Licensee, duly authorized thereto

AS WITNESSES:

1. 
2. 

RESOLUTION


Adopted by the directors / board of directors of

PayDay Software Systems (Pty) Ltd
Registration number 2006/010098/07
(hereinafter called "the Company")

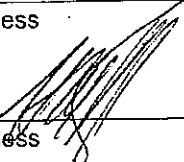
It is herewith resolved that Mr. Nigel Paul Bird (hereinafter called "the Representative") be granted full and unrestrained powers to act on behalf of the company in contracting the latter to PayDay Software Systems (Pty) Ltd (hereinafter called "the Corporation") with regard to a standard contracts between the Company and the Corporation; to carry all negotiations leading up to such standard contracts on behalf of the Company; to bind the Company to all the terms and conditions stipulated in such written standard contracts; to sign such standard contracts as well as all Annexures it may have on behalf of the Company; and generally for effecting the purposes aforesaid; to do or cause to be done whatever shall be requisite, as fully and eventually, for all intent and purposes as we could have done if personally present and acting herein; hereby ratifying, allowing and confirming and we further more promise to ratify, allow and confirm all and whatsoever the said Representative shall lawfully do or cause to be done, by virtue of these present.

THUS DONE AND SIGNED AT PRETORIA ON THIS 2^{KA} DAY OF MAY 2010


AS WITNESSES:



Witness



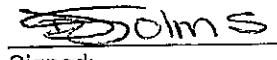
Witness




Witness



Signed:
NP Bird - Representative



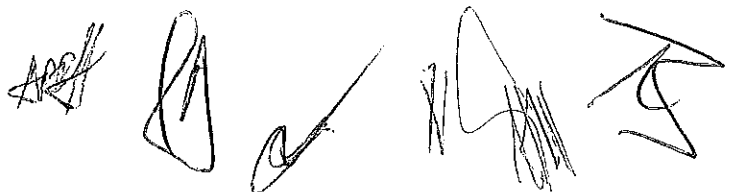
Signed:
DP Solms - CEO



Signed:
LR Solms - Chairman

Managing Director: Nigel P. Bird

Executive Directors: Desré P. Solms (CEO); Leon R. Solms (Chairman)



ANNEXURE B:

All prices exclude VAT.

Licence Fees:

These are annual fees that is payable in advance. The licence fee year is from 1 July to end of June. The licence fees increase annually, but will not increase in excess of the consumer price index.

Total licence fees for current year R7,899.00 (excl. VAT) p.a.

Runtime:

Acuconnect thin client runtime version 6.2.0 for Sun solaris 10 64 bit sparc for 3 users.

Registered Licence codes as below:

Thin Client:	Serial	2140989
	Product Code	3YEU DXEC VDYL EGS6
	Product Key	35GD BVEC VHDG
GT Runtime:	Serial	2140988
	Product Code	KCSS S2JL AQ2C WRVN
	Product Key	P8LB U8JL APPJ

Consultation and installation:

The normal rate for consultation and travel time will be applicable. The current consultation and travel time rate are at the current rate of service provider, excluding accommodation & air tickets.

Program changes:

All prices quoted above are for standard modules. Any changes to standard programs will be subject to a quote.

The various modules come standard with reports. Any additional reports that will be created with the report writer by PayDay's staff will be charged at the current rate.

When a report may require a program, a quotation will be forwarded.

