



ADDENDUM A

MEMORANDUM OF AGREEMENT

Entered into and between CAPENET COMPUTER SYSTEMS
(Hereinafter referred to as "**CAPENET**")

AND

The business or natural person as per the Subscriber Application Form
Hereinafter referred to as "**THE USER**")

Where as CAPENET has a Software Program written for the Microsoft Windows operating system, as amended and updated from time to time, known as the CLIENT MANAGEMENT SYSTEM (herein referred to as "CMS"); and where as CAPENET offers two basic SERVICE OPTIONS to support the USERS of CMS; and WHERE THE USER is serious to obtain the CMS PROGRAM and to make use of the support services offered by CAPENET;

Now therefore the parties agree as follows:

1. DEFINITIONS

For the purposes of this agreement, the following words will, unless explicitly stated otherwise, be defined as follows, any reference to:

- One gender shall include the other;
- Natural persons include legal persons and vice versa;
- Singular includes the plural and vice versa;
- Headings are used for ease of reference and should not be used in the interpretation of this agreement.

2. INDEPENDENT PARTIES

- CAPENET and THE USER of the CMS program shall at all times be independent contracting parties, transacting for their own account;
- No party to this agreement shall at any time be or deemed to be in the employment of the other party, unless specifically stated otherwise;

3. TERMS

3.1 This agreement will commence from the date of signature and will be in effect indefinitely subject to clause 3.2;

3.2 Both parties shall have the right to cancel this agreement at any stage subject to sixty (60) days written notice.

4. FEES AND PAYMENT OF FEES

4.1 The Monthly License & Support fee shall be payable monthly in advance, by means of a DEBIT ORDER / STOP ORDER. The fee must be available to CAPENET before or on the Last day of each month.

4.2 The monthly fee payable to CAPENET amounts to R 400.00 per office. The first payment shall commence on the day of installation and shall continue subject to clause 3 hereof.

4.3 The total monthly service fee payable will be based on the number of OFFICES registered and NOT the number of computers linked (Networked) to the CMS program, and will be revised from time to time. The USER is entitled to an extra CMS program at no charge for his/her home, headquarters or personal computer/notebook.

4.4 The Monthly fee referred to above may be reviewed annually on the first of February of each year, and any changes will be effective immediately upon notice being given to the USER.

Research and development fee on customization of the CMS (such as special reports, etc...) R120.00 per hour, excluding VAT.

4.5 Traveling expenses – At R1.50 p/km. excluding VAT;

4.6 Accommodation – Actual expense equal to 2-3 star rating or a minimum of R450.00 per night.
4.7 Should THE USER, due to negligence, have caused a malfunction of the CMS and it becomes necessary for technical support to be rendered at THE USER'S office, then the USER shall be charged as referred to in par. 4.5 and par. 4.6. of this agreement.

4.8 Fees for extended services will be charge DIRECTLY and payable by THE USER if redeem necessary.

4.9 Fees for compulsory visits annually per office as referred to in par. 8 in this agreement.

4.10 Should any payment in terms of this agreement not be paid on the due date thereof, CAPENET shall be entitled, without prejudice to any of it's rights, to:

4.11 Charge interest on such outstanding amounts, at the prime lending rate charge by their banker plus two (2) percent, calculated from the due date to the date of payment, AND/OR

Withdraw the right of use of the CMS in its entirety in which event THE USER hereby irrevocably grants CAPENET personnel access to the user OFFICES to enable CAPENET personnel to attach and remove the CMS.

It is agreed that CAPENET will not be obliged to render any service in terms of this agreement, unless and until payment of all amounts due and payable in terms of this agreement, have been received by CAPENET.

5. MINIMUM HARDWARE REQUIREMENTS

- FILE SERVER – Intel Pentium Processor 3GHz, 2 GB Ram and a hard drive with at least 5 GB free space, CD Rom/USB connection, an internet connection and uninterrupted power supply; DeskJet or equivalent printer;
- WORKSTATION – Intel Pentium Processor 2.8GHz, 1 GB Ram and a hard drive with at least 3 GB free space, CD Rom/USB connection, an internet connection and uninterrupted power supply.
- Internet Access at leas a Dialup and E-Mail service.

6. MINIMUM SOFTWARE REQUIREMENTS – CMS software, Remote PC access tools and Microsoft Windows XP Service Pack 2 or Higher;

7. SUPPORT SERVICES

- **SUPPORT OPTION 1:** A basic comprehensive PHONE-IN telephone support service, limited to CMS, where support will be rendered either verbally or in writing or by means of an internet connection; utilizing Remote PC access tools or E-Mail facilities. This service is included in the monthly License & Support fees. A Compulsory visit paid to the Office of the User may be implemented by CAPENET personnel annually or at least once every second year the cost involved as per par. 8
- **SUPPORT OPTION 2:** AN ON-SITE support service where CAPENET send its field Technician to attend to the problem, which cannot be fixed due to the complexity of Computer related issues. The USER will be charged at applicable rates as per par. 4.5 and par. 4.6. of this agreement. . A Compulsory visit paid to the Office of the User may be implemented by CAPENET personnel annually or at least once every second year the cost involved as per par. 8 and 9.1.
- **INSTALLATION and TRAINING:** where CAPENET can use two methods to attend to the situation: Installation and or Training on-site with the actual cost involved being invoiced as per par. 4.5 and par. 4.6. in this agreement. OR. Free remote installation via Remote PC access tools or by telephone.

8. COMPULSORY Yearly on Site Visit:

A On-Site service at the User's premises: R700 per office if radius from Technician Home base are 500km or R500 between 200km and 499km anything less than that R300.

Fees are payable directly to the Technician by the USER in cash.

These visits are necessary to inspect and repair/install any updates/antivirus packages and to ensure the computers are up to standard. Any parts needed for upgrading will be charge at a Cost + 15% or if the Customers feels he wants to use his/her own Computer Technician to upgrade hardware they are welcome to do so. Cleaning of Computer Equipment are not include in the price of the visit, but can be negotiated by the Customer and Technician on sight, the maximum amount for such a cleaning service may not be more than R120.00 per hour.

9. USER RIGHTS AND OBLIGATIONS

9.1 THE USER acquires user right to CMS for as long as THE USER complies with the terms and conditions of this agreement, failing which CAPENET shall be entitled to cease all software support to THE USER for damages of losses of whatsoever nature suffered.

9.2 THE USER undertakes to notify CAPENET within Seven (7) days of any changes to Addendum "A" hereof.

9.3 USERS shall treat all software and information received from CAPENET with utmost confidentiality and shall not release, directly or indirectly, any information regarding CAPENET software to any other party or person without the prior written consent of CAPENET.

9.4 THE USER shall ensure that all its OFFICES comply with the minimum hardware and internet specification. CAPENET will not be liable to render services to THE USER'S OFFICES which do not comply with the minimum hardware specifications. Should any upgrading be required by THE USER to comply with the minimum hardware specification, it will be at THE USER'S own expense. CAPENET does not assume any responsibility towards either the supply or the maintenance of any hardware. THE USER shall from time to time be required to acquire new User Codes from CAPENET to reactivate the CMS. Such Codes shall be provided forthwith by CAPENET provided that THE USER has in no way defaulted on the terms and conditions of this agreement.

9.5 THE USER shall at all times comply with the regulation governing the micro-lending industry in terms of Government Gazette Notice R3451 dated 31 December 1992, or any other legislation pertaining to the micro-lending industry and the CODE OF CONDUCT formulated by the Micro-Lenders Association, failing which CAPENET shall be entitled to cancel this agreement immediately and retract. THE USER'S right granted herein.

9.6 THE USER shall ensure that all the hardware to which the CMS is to be installed, complies with the minimum hardware specifications to run the CMS and also that pcAnyWhere is installed on the hardware to facilitate the support to be provided by CAPENET.

9.7 THE USER shall ensure that daily backups are made of the CMS data. Such data is to be stored on a reliable Flashdisk.

10. CAPENET – RIGHTS AND OBLIGATIONS

CAPENET will operate a help desk facility, which facility will be manned by skilled consultants.

The help desk will be open during normal working days from 09h00 am to 17h00 pm during the week and are reachable by Cellular phone on Saturdays from 09h00 to 11h00 am. Any issues regarding CMS can be reported at all times to CAPENET'S fax number or E-mail.

CAPENET will respond to all enquiries in connection with CMS.

CAPENET will release upgrades on the CMS from time to time, which upgrades will be intended to eliminate any recurring problem imbedded in CMS, and to increase the functionality of the program.

Upgrades will be made available to THE USER free of charge via FTP or www.mfn.co.za

CAPENET will treat THE USER'S software and data with utmost care and confidentiality. The data remains the PROPERTY of the USER, CAPENET has got no rights to with held the data in case of termination of this Agreement.

CAPENET is only obliged to respond to faults reported in the prescribed manner which is currently per Addendum "B", which THE USER will complete and send per facsimile to CAPENET'S current fax number.

11. INSTALLATION AND ACTIVATION

The CMS shall not be installed or activated until this Memorandum of Agreement has been signed by both parties in the presence of two (2) witnesses, and only after confirmation of the Debit Order (as per ADDENDUM C) having reached our Offices via FAX, Post Office or Delivery.

The CMS shall not be activated before the INSTALLATION CERTIFICATE has been received by CAPENET via fax or delivery.

12. DISCLAIMER

Due to the complex nature of electronic data transmissions and the risks inherent to open ended systems, CAPENET cannot be held liable for any system failure or data corruption, directly or indirectly caused by such events.

CAPENET shall in its sole discretion decide on the acceptance of new USER'S and therefore do not profess to offer an exclusive right of use or support to THE USER.

THE USER has satisfied himself with the functionality and performance of the CMS and therefore CAPENET will under no circumstances be held liable for any failure of the CMS.

13. DOMICILIA AND NOTICES

The parties choose their respective domicilia et executandi as the addresses below:

CAPENET
Lancaster 115
Harbour Island Park
GORDONS BAY
7150

Tel: (021) 856-4082 (021) 856-1854. Cell: (Douw Steyn) 0734463387 Admin: (Beulah Voster) 0219792640
Office hours and 0215912491 after hours. In a Emergency where our Office cannot be reach contact (Hansie Steyn) 0152977698 Cellular: 0823970340

THE USER domicilia et executandi as per the Subscriber Application Form

The parties may change their domicilia citandi et executandi, provided written notice is given to the other party within fourteen (14) days of such change.

Any notice given by one party to the other party shall be deemed to have been received by the other party in the following instances:

Deliveries by hand, on the date of delivery thereof;

Registered mail, seven days after dispatching thereof;

Faxes, on the date of successful transmission thereof;

14. BREECH

Should THE USER:

Fail to pay any amount due in terms of this agreement, or

Withhold payment of any amount due in terms of this agreement, or

Continue to breach any term or condition of this agreement seven (7) days after having being requested to comply therewith, CAPENET shall have the right either to claim fulfillment of this agreement (without prejudice to any claim for damages), alternatively to cancel this agreement without giving notice to THE USER and to repossess any material provided to THE USER in terms of this agreement without prejudice to any other right and remedies available to CAPENET.

15. CONSENT

The decision as to whether CAPENET will grant any consent which THE USER may request in terms of this agreement, shall be in the sole discretion of CAPENET.

16. MAGISTRATE'S COURT JURISDICTION

Any party may in his sole discretion institute an action arising out of or in connection with this agreement in a Magistrate's Court having Jurisdiction by virtue of section 28 of the Magistrate's Court Act No.32 of 1944, notwithstanding the fact that such action would otherwise be beyond the Jurisdiction to such Court. Should CAPENET instruct an Attorney following any act or omission by THE USER, THE USER shall pay all the costs of CAPENET on an Attorney and Client scale, including collection commission.

17. GENERAL

No extension of time or any other compromises made by one party to the other party shall have any effect on the right of that party. The parties shall at all times have the right to demand compliance with this agreement.

No amendment or cancellation of this agreement, whether in part or in total, shall have any effect unless such changes or the cancellation have been reduced to writing and have been signed by all the authorized parties to this agreement.

The parties agree that this is the entire agreement between them and that no representations, conditions or proposals have been given, directly or indirectly, which have not been covered by this agreement.

SIGNED AT _____ THIS _____ DAY OF _____

AS WITNESS:

1 _____

2 _____

For and on behalf of CAPENET

Name: _____

SIGNED AT _____ THIS _____ DAY OF _____

AS WITNESS:

1 _____

2 _____

For and on behalf of THE USER

Name: _____