

## HARDWARE LEASE SCHEDULE

### 1. DEFINITIONS

1.1. For the purposes of this Hardware Lease Schedule, the following definitions shall operate in addition to and supplementary to those contained in the MSA, and ought to be read as if specifically incorporated therein:

1.1.1. "**Business Day**" shall mean any day of the week, excluding Saturdays, Sundays and official public holidays in the Republic of South Africa;

1.1.2. "**Commencement Date**" shall mean the date upon which this Hardware Lease Schedule comes into effect, being the date of signature by the last Party hereto;

1.1.3. "**Deed of Suretyship**" means the suretyship agreement, if applicable, which shall be agreed to by the Client by way of the Client clicking, agreeing to or otherwise indicating that it has both read and agrees to be bound by same, and in terms of which the Surety binds himself/herself/itself to the Service Provider as surety, guarantor and co-principal debtor for the obligations of the Client in terms of this Hardware Lease Schedule;

1.1.4. "**Hardware**" shall mean the physical components as leased by the Service Provider to the Client as detailed more fully in the Proposal;

1.1.5. "**Hardware Lease Schedule**" shall mean this Hardware Lease Schedule together with all annexures hereto, which annexures shall be read as if specifically incorporated herein;

1.1.6. "**MSA**" means the Master Services Agreement which is entered into by and between the Parties simultaneously herewith;

- 1.1.7. "**Parties**" shall mean the Client and Service Provider collectively, and "**Party**" means any one of them, as the context indicates;
- 1.1.8. "**Proposal**" means the proposal to which the Services Schedules are attached or which the Services Schedules otherwise refer, agreed to simultaneously herewith, and which sets out, among other things, the exact nature of the Services required to be rendered, coupled with the cost in respect thereof;
- 1.1.9. "**Rental**" shall mean the monthly amount paid by the Client to the Service Provider as recorded in the Proposal;
- 1.1.10. "**Term**" shall mean the duration of this Hardware Lease Schedule as recorded in the Proposal; and
- 1.1.11. "**Termination Date**" shall mean the date on which this Hardware Lease Schedule shall terminate as recorded in the Proposal.
- 1.2. In addition to the foregoing, terms which are capitalised herein, but which have not been defined in clause 1.1 above, shall bear the same meaning as in the MSA.
- 1.3. Capitalised terms defined herein, but which also appear in the MSA, shall bear the meaning as defined herein.

## 2. **INTRODUCTION**

- 2.1. This Hardware Lease Schedule is to be read with, and is subject to, the provisions of the MSA and the Proposal to which this Hardware Lease Schedule is annexed.
- 2.2. This Hardware Lease Schedule is the basis on which the Service Provider will lease the Hardware to the Client.

2.3. This Hardware Lease Schedule may be coupled with any number of other schedules as may be required by the Service Provider.

### 3. **HARDWARE**

3.1. The Service Provider hereby gives the Client the full right of use and enjoyment of the Hardware, in return for payment of the Rental until the Termination Date.

### 4. **COMMENCEMENT, DURATION AND EXTENTION OF THIS HARDWARE LEASE SCHEDULE**

4.1. This Hardware Lease Schedule shall commence on the Commencement Date and shall subsist until the Termination Date, or such other date as may be agreed between the Parties as set out hereinbelow.

4.2. Save for what is stated in clause 4.1 above, either Party shall be entitled to terminate this Hardware Lease Schedule by giving 30 (thirty) days' written notice to the other Party.

4.3. In the event of the Client electing to terminate this Hardware Lease Schedule:

4.3.1. before 2/3rds of the initial Term has passed, the Client will be liable to make payment to the Service Provider of a penalty fee amounting to the full Rental that would fall to be due by the Client to the Service Provider calculated from the date of cancellation until the Termination Date, in one lump sum on or before the expiration of the 30 (thirty) day notice period.

4.3.2. after a minimum of 2/3rds of the initial Term has passed, the Client will be liable to make payment to the Service Provider of a penalty comprising either 3 (three) months Rental, alternatively such Rental as may be due to the Service Provider by the Client from date of cancellation until the

Termination Date, whichever is the lesser, in one lump sum, to be paid on or before the expiration of the 30 (thirty) day notice period.

- 4.4. If after the expiration of the initial Term, neither Party has elected to terminate the this Hardware Lease Schedule, same shall continue on a month to month basis on the same terms and conditions contained herein with either Party being entitled to give the other 30 (thirty) days' written notice of termination.

## 5. **RENTAL**

- 5.1. The Rental shall be paid by the Client in advance on or before the 1<sup>st</sup> day of each calendar month for the Term against an invoice rendered by the Service Provider.
- 5.2. The Rental shall be paid into the Service Provider's banking account as set out in the Proposal.
- 5.3. Such Rental shall be payable free of deduction or set-off and the Client shall not be entitled to withhold any portion thereof as a result of any claim which the Client might enjoy, whilst the Client is in possession of the Hardware.
- 5.4. If the Rental due in terms of this Hardware Lease Schedule is paid after the due date, the Client shall, at the discretion of the Service Provider, be liable for interest at the maximum rate permitted in terms of the Prescribed Rate of Interest Act 55 of 1975 on the unpaid amount from the due date until the date of payment of such amount in full.

## 6. **RETURN OF THE HARDWARE**

- 6.1. In the event of a breach, the Client shall immediately upon demand by the Service Provider return to the Service Provider the Hardware in the same condition (fair wear and tear excepted) that same was provided to the Client.

6.2. Should the Client fail and/or refuse to return the Hardware to the Service Provider, then the Service Provider shall immediately and without notice take possession of the Hardware wheresoever found and remove, keep or dispose thereof at its sole election, as the rightful owner of the Hardware.

7. **WARRANTIES BY THE SERVICE PROVIDER**

7.1. The Service Provider warrants that it is the owner of the Hardware and as such is authorised to enter into this Hardware Lease Schedule.

7.2. The Service Provider further warrants that the Hardware is unencumbered and that no lien or hypothec exists over the Hardware.

8. **WARRANTIES BY THE CLIENT**

8.1. The Client warrants that:

8.1.1. the Hardware shall be used only for the purpose for which it is intended;

8.1.2. it shall maintain the Hardware in good order and repair at its own expense;

8.1.3. any repairs that may be required in respect of the Hardware, not due to wear and tear, and occasioned by the fault of the Client shall be attended to by the Service Provider within 7 (Seven) days of delivery of the notice from the Service Provider calling upon the Client to attend to the same, or if it is not reasonably possible to effect the necessary repairs within 7 (Seven) days, such further period of time as may be reasonable in the circumstances This shall in no way affect the Rental payable to the Service Provider;

8.1.4. should the Hardware be damaged or stolen, the Client shall immediately communicate the event to the Service Provider. The Client shall further

provide to the Service Provider a copy of the police report and docket number for insurance purposes, where it was necessary for the damage or theft to be reported;

8.1.5. the Hardware shall remain insured for the duration of this Hardware Lease Schedule. The Client, shall either attend to procure an insurance policy in respect of the Hardware with a reputable insurance broker and for full value thereof, making payment of all premiums timeously and in full. In this event the Service Provider may at any time request a copy of the insurance policy together with proof of payment of the premiums in order to satisfy itself that this is being attended to. As an alternative, the Service Provider may continue to hold the Hardware on its insurance policy, with the monthly premiums being charged to the Client as an additional cost, payable on the same terms and conditions as the Rental, save that any increases in respect of the insurance policy shall be dictated by the insurance broker and not the Service Provider;

8.1.6. the Client hereby undertakes to inform its landlord, if applicable, in writing before bringing the Hardware on to its leased premises, that such Hardware is owned by the Service Provider, and as such is specifically excluded from the landlord's hypothec. The Service Provider reserves the right to refuse the Client access to the Hardware without first receiving proof of such communication;

8.1.7. the Client shall not sublease, cede rights, or allow any third-party access to or use of the Hardware, without the prior permission of the Service Provider; and

8.1.8. all information as provided to the Service Provider, including the address at which the Hardware shall be housed shall be true and correct.

8.2. The Client hereby grants that it understands and accepts that failure to adhere to any one or more of the warranties contained in this clause 8 shall constitute a

breach of this Hardware Lease Schedule, and may result in the termination of this Hardware Lease Schedule at the sole discretion of the Service Provider.

9. **DAMAGE TO HARDWARE**

9.1. Should the Hardware be –

9.1.1. destroyed or damaged to such an extent as to render it substantially or wholly unfit to be used for the purpose for which it is intended, then subject to the Service Provider claiming damages, either Party shall be entitled to terminate this Hardware Lease Schedule with effect from the date of such destruction or damage; or

9.1.2. damaged or destroyed as a result of any act or omission attributable to the Client, this Hardware Lease Schedule shall continue to be of full force and effect and the Client shall, if possible, repair such damage and/or restore the Hardware to the condition it was in or was deemed to be in at the Commencement Date.

9.2. The Client shall be responsible for any and all repair or replacement costs associated with the repair or replacement of the Hardware should same be damaged, lost or stolen whilst in the possession or during the Term of this Hardware Lease Schedule.