

AI SMART AUDITOR

LICENSING AGREEMENT & TERMS AND CONDITIONS

Effective Date: [Insert Date]

Welcome to the AI Smart Auditor platform ("the Platform"). This Licensing Agreement and Terms and Conditions ("Agreement") governs your access to and use of the AI Smart Auditor, a proprietary AI-powered tool designed to support auditing activities under the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA).

1. License Grant

1.1 The Platform grants you a **limited, non-exclusive, non-transferable, revocable license** to use the AI Smart Auditor solely for legitimate auditing purposes under PFMA and MFMA frameworks.

1.2 This license is provided strictly for your internal professional use. You may not sublicense, rent, lease, or assign the license to third parties.

1.3 The Platform may introduce updates, enhancements, or modifications, and such updates will also be governed by this Agreement unless explicitly stated otherwise.

2. Restrictions

2.1 You shall not:

- Copy, reproduce, or distribute the Platform or any of its components except as expressly permitted.
- Alter, modify, adapt, or create derivative works of the Platform.
- Attempt to reverse-engineer, decompile, or disassemble the software or underlying models.
- Use the Platform in ways that are unlawful, fraudulent, defamatory, or outside the intended auditing scope.

2.2 You agree to use the Platform in a manner consistent with **South African laws and professional auditing standards**.

3. Compliance with PFMA and MFMA

3.1 The Platform is designed as a **support tool**. It assists in aligning audits with the PFMA and MFMA but does not replace the professional judgment of an auditor.

3.2 You remain solely responsible for:

- Interpreting the PFMA and MFMA correctly,
 - Ensuring that audit reports comply with relevant legislation,
 - Verifying that outputs are accurate and appropriate for their intended purpose.
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4. Data Use and Confidentiality

4.1 **Ownership:** All data uploaded remains the exclusive property of the user.

4.2 **Confidentiality:** The Platform applies industry-standard measures to protect confidentiality, integrity, and availability of data, including encryption and secure storage.

4.3 **Data retention:** Data may be stored temporarily to enable processing but will not be shared with unauthorized third parties.

4.4 **User responsibility:** You are responsible for ensuring that uploaded data does not contain personal information in violation of the **Protection of Personal Information Act (POPIA)** unless such processing complies with applicable law.

5. Disclaimer of Warranties

5.1 The Platform is provided on an **“as is” and “as available” basis**.

5.2 The Platform makes no representations or warranties, express or implied, including but not limited to:

- Accuracy, completeness, or reliability of audit outputs,
- Fitness for a particular purpose,
- Continuous, error-free, or uninterrupted service.

5.3 Users acknowledge that AI outputs may contain **limitations, biases, or errors**, and human review is essential.

6. Limitation of Liability

6.1 To the maximum extent permitted by law, the Platform and its providers shall not be liable for:

- Direct, indirect, incidental, or consequential damages,
- Loss of income, financial data, or reputational harm,
- Misinterpretation or misuse of outputs by the user.

6.2 Liability, if established, shall not exceed the fees paid for accessing the Platform in the twelve (12) months preceding the claim.

7. Termination

7.1 This Agreement remains effective until terminated by either party.

7.2 Termination occurs automatically if you:

- Breach any provision of this Agreement, or
- Misuse the Platform.

7.3 Upon termination:

- All licenses and rights granted will immediately cease, and
 - You must discontinue all use of the Platform.
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8. Governing Law

8.1 This Agreement shall be governed by and construed under the laws of the **Republic of South Africa**.

8.2 Any disputes shall first be resolved through **good faith negotiations**. If unresolved, disputes may

be referred to arbitration in Johannesburg, in accordance with the rules of the **Arbitration Foundation of Southern Africa (AFSA)**.

9. Indemnification

You agree to indemnify and hold harmless the Platform, its developers, and affiliates from any claims, liabilities, damages, or expenses (including legal fees) arising out of:

- Your misuse of the Platform,
 - Breach of this Agreement, or
 - Violation of any applicable laws or third-party rights.
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10. Amendments

The Platform reserves the right to update or amend this Agreement at any time. Continued use of the Platform after updates shall constitute acceptance of the revised Agreement.

11. Severability

If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

12. Entire agreement

This Agreement constitutes the entire understanding between the parties with respect to the subject matter and supersedes all prior oral or written communications.

13. Contact Information

If you have questions or concerns about this Agreement, please contact us at:

 Email: **support@nstsolutions.co.za**

 Website: **www.nstsolutions.co.za**