

XELQ Ltd — legal pack

Licence agreement and data processing addendum · Version 1.1 · 23 September 2026

Revision: 1.1 — contact address changed to info@pesasahihi.com

What this is

XELQ Ltd (Company No. PVT-5JUED9LZ, 14 Ring Road Parklands, Nairobi) supplies Pesa Sahihi, desktop payroll software for Kenyan employers. It runs entirely on the customer's own computer: there is no server, no cloud account and no telemetry, and employee data never reaches XELQ in normal use. Every claim of fact in these documents was checked against the software's actual behaviour before drafting.

Two documents follow. The **licence agreement** is what every customer accepts on first use, shown in the software itself. The **data processing addendum** covers the one situation in which XELQ processes personal data on a customer's behalf — when a customer sends data in for support or migration. It takes effect automatically when that happens; a countersigned copy is available on request for a customer's records or auditor.

Three further documents — a privacy policy, a security and disclosure statement, and a data retention note — complete the pack. They are descriptive rather than contractual, are always readable inside the software, and can be sent on request.

One note on the product name. Each customer receives a build branded for them, so the software is named differently for each one. In the documents the name is inserted automatically at the point the customer reads them, and is then referred to throughout as "the Software". These copies show the name as Pesa Sahihi.

Contact: info@pesasahihi.com

End User Licence Agreement

Version 1.1 · Effective 23 September 2026

This is the current version of XELQ's standard licence terms. Where your signed licence agreement says something different, that agreement prevails.

This agreement is between XELQ Ltd ("XELQ", "we", "us") and the organisation named as licensee in the licence agreement ("you", "the Customer"). It governs your use of **Pesa Sahihi** ("the Software").

Installing or using the Software means you accept these terms. If you do not accept them, do not install the Software.

1. What you are licensed to do

We grant you a non-exclusive, non-transferable licence to install and use the Software to run your own payroll, for a term of twenty (20) years from the start date recorded in your licence agreement.

The licence is limited to the computers and the companies set out in your licence agreement. Running the Software for additional companies, or on additional computers, requires a further licence.

The Software is licensed, not sold. XELQ retains all intellectual property rights in it.

2. Fees and refunds

Fees are those set out in your licence agreement. Save where mandatory Kenyan law requires a refund, fees paid are non-refundable, including if you stop using the Software before the end of the term. The licence is granted and delivered in full at the start of the term, which is why we do not refund it: the fee buys the Software as delivered, and updates are covered by section 5. Decide before you buy.

3. What you must not do

- Redistribute, resell, rent, sublicense, lend or share the Software, or use it to run payroll for third parties as a service, unless your licence agreement expressly permits it.
- Reverse engineer, decompile or disassemble the Software, except to the extent Kenyan law expressly permits despite this restriction.
- Remove, disable or work around the licence enforcement, or the branding applied to your build.
- Use the Software in a way that breaks Kenyan law.

4. Your payroll figures remain your responsibility

This section matters more than any other in this agreement. Read it.

The Software assists you in preparing payroll and statutory computations, including PAYE, NSSF, SHA and the affordable housing levy. It does not file anything with any authority, it does not pay anyone, and it is not tax, accounting or legal advice.

Kenyan tax rates, bands, reliefs, contribution rules and filing formats change, sometimes at short notice and sometimes retrospectively. The Software applies the rules built into the version you are running. It has no automatic update mechanism and does not check whether its rules are current.

You are responsible for checking the Software's output against the law as it stands before you pay anyone or file anything, and for having a qualified accountant or a registered tax agent verify it. You remain solely responsible for your own statutory filings, deadlines, payments and returns, and for the accuracy of the data you enter. Wrong data in produces wrong figures out, and the Software cannot tell the difference.

The licence fee is priced on this allocation of responsibility, and the liability cap in section 10 reflects it. If you want cover against tax penalties, that is what insurance is for.

5. Updates

We may issue updated builds, at our discretion. We do not commit to issuing them, to any timetable, or to updating the Software when statutory rules change. The Software will not notify you that an update exists; there is no update-check mechanism in it. If you want to know whether a newer build exists, ask us at info@pesasahihi.com.

6. Installation

The Software is not code-signed or notarized. Your operating system will warn you when you install it, and you will have to confirm that you want to proceed. We publish a SHA-256 checksum for each build so that you can verify the file you received is the file we produced. See the Security document for how.

7. Your data

The Software runs entirely on your computer. There is no XELQ server, and your employee data does not reach us in the normal course of use. You are the data controller of that data. Our Privacy Policy sets out the position in full, and the Data Processing Addendum covers the one case where we do handle your data: when you send it to us for support or migration.

You are responsible for the security of the computers the Software runs on, for your backups, and for keeping your backup passphrases. We cannot recover an encrypted backup for you if the passphrase is lost.

8. Support

We provide support by email at info@pesasahihi.com on a reasonable-efforts basis. There is no service level agreement, no guaranteed response time and no guaranteed fix. Where support requires you to send us data, the Data Processing Addendum applies.

9. Warranties

The Software is provided "as is". To the fullest extent Kenyan law permits, we exclude all warranties, conditions and terms that would otherwise be implied by statute or common law, including any implied condition of merchantable quality or fitness for a particular purpose under the Sale of Goods Act (Cap 31). Where Kenyan law — including the Consumer Protection Act 2012 — implies a condition or warranty that cannot lawfully be excluded, it is not excluded, and our liability for its breach is subject to section 10.

We do not warrant that the Software is free of defects, that it will run without interruption, or that its statutory computations match any particular authority's interpretation of the law.

10. Liability

Our total liability to you, for all claims arising out of or relating to the Software or your licence, whether in contract, tort (including negligence), breach of statutory duty or otherwise, is limited in total to the licence fees you have paid to us for the affected installation.

We are not liable for loss of profit, loss of business, loss of revenue, loss of anticipated savings, loss of or corruption of data, tax penalties, interest or fines, or for any indirect or consequential loss, however it arises.

The carve-outs, stated plainly. Kenyan law does not permit anyone to exclude or limit liability for death or personal injury caused by negligence, or for fraud or fraudulent misrepresentation. Nothing in this agreement excludes or limits those liabilities, or any other liability that Kenyan law does not allow to be excluded or limited. We name the exceptions rather than paper over them because a cap that tried to cover everything would risk a court striking the whole clause out, which would leave both of us with less certainty, not more.

11. If the licence expires or ends

When a licence expires, the Software becomes read-only. You can still open it, read every record, and produce documents from what is already there. You cannot create new payroll runs or edit records.

Your data is never deleted by expiry or by termination. The database file stays on your computer, encrypted, exactly as it was. Your backups stay where they are. This is deliberate: an expired licence is a commercial matter and must never put your statutory records at risk.

We may terminate the licence if you materially breach this agreement and do not fix the breach within 30 days of our written notice. Termination does not entitle you to a refund, and does not delete your data.

12. Changes to these terms

We may publish updated versions of these terms for new licences and new versions of the Software. The terms you accepted continue to govern your existing licence unless you accept a newer version. The Software records which version you accepted and when.

13. General

This agreement is governed by the laws of Kenya, and the courts of Kenya have exclusive jurisdiction over any dispute arising from it.

If any part of this agreement is held to be unenforceable, the rest continues in force.

This agreement, together with your signed licence agreement, the Privacy Policy and (where it applies) the Data Processing Addendum, is the entire agreement between us about the Software. Where the signed licence agreement conflicts with this document, the signed licence agreement wins.

Notices to us go to info@pesasahihi.com. Notices to you go to the contact email in your licence agreement.

XELQ Ltd · PVT-5JUED9LZ · 14 Ring Road Parklands, Nairobi, Kenya · info@pesasahihi.com · ODPC Data Processor Reg. No. 705-703B-EC94

Data Processing Addendum

Version 1.1 · Effective 23 September 2026

This is the current version of XELQ's standard Data Processing Addendum. Where the customer's signed licence agreement or a separately negotiated addendum says something different, that signed document prevails.

This Addendum is between:

XELQ Ltd, company registration number PVT-5JUED9LZ, of 14 Ring Road Parklands, Nairobi, Kenya ("XELQ", the Processor); and

the Customer licensed to use the Software under its licence agreement with XELQ (the Controller).

It supplements the licence agreement under which the Customer uses **Pesa Sahihi** ("the Software"), and forms part of that agreement. It takes effect automatically the first time the Customer sends personal data to XELQ as described in clause 1; no signature is needed for it to bind both parties. A Customer that wants a countersigned copy for its records or its auditor can ask at info@pesasahihi.com, and XELQ will sign one.

It is entered into under the Data Protection Act 2019 (the Act), and in particular section 42, which requires a written contract between a controller and its processor.

1. When this Addendum applies

The Software is local-first. It has no server, and in normal use no employee personal data reaches XELQ. XELQ is not a processor of that data merely because the Customer runs the Software.

This Addendum applies to the one situation in which XELQ genuinely processes the Customer's personal data: when the Customer sends personal data to XELQ for **support, troubleshooting, data import assistance or migration**. That includes a database file, a backup, a spreadsheet export, a log, or a screenshot containing employee records.

Outside that situation, XELQ processes nothing on the Customer's behalf, and this Addendum imposes no obligations because no processing occurs.

2. Roles

The Customer is the data controller. It determines the purposes and means of processing its employee data, and it decides what to send to XELQ.

XELQ is the data processor for the data it receives under clause 1, and holds ODPC data processor Registration No. 705-703B-EC94.

3. Subject matter, duration, nature and purpose

Set out in the Schedule at the end of this Addendum. In summary: XELQ processes the personal data the Customer sends it, only to diagnose and resolve the specific support incident, import or migration the Customer raised, and only for as long as that incident is open.

4. Categories of data subjects and personal data

Data subjects: the Customer's employees and former employees, and any individuals named in the Customer's payroll records.

Personal data may include names, KRA PINs, national ID numbers, NSSF numbers, SHA (health insurance) numbers, phone numbers (which also serve as M-Pesa disbursement numbers), email addresses, salary, benefit and advance details, company-car details including vehicle registration numbers, and leave and sick-leave records. Sick-leave records carry free-text comments and are therefore health-adjacent; where

they contain health information they are sensitive personal data under the Act, and the parties treat them as such.

The Software holds no bank account numbers, so none are transferred.

5. Processing on documented instructions

XELQ will process the personal data only on the Customer's documented instructions, including for any transfer outside Kenya, unless a Kenyan law requires otherwise — in which case XELQ will tell the Customer before processing, unless that law forbids it.

The Customer's support request, and any follow-up in writing, is a documented instruction. Nothing else is. An instruction covers the steps reasonably needed to carry it out — receiving, opening, decrypting with a key or passphrase the Customer supplies, inspecting and correcting the data — so no ordinary support step falls outside it. XELQ will not use the data to develop or test the Software, to build datasets, to train models, or for any purpose other than resolving the incident.

If XELQ believes an instruction breaches the Act, it will say so.

6. Confidentiality

XELQ has two employees. XELQ ensures that every person it authorises to process the personal data is bound by a duty of confidentiality that survives the end of their engagement. Access to Customer data is limited to the individual handling the incident.

7. Security

XELQ will apply appropriate technical and organisational measures to the data it holds, having regard to the nature of the data and the risk. Specifically:

- Data received for support is held only in the mailbox and file storage for the info@pesasahihi.com address, and on the working machine of the person handling the incident.
- Working copies are kept only for the duration of the incident and deleted when it closes.
- XELQ will not forward the data to any third party except the sub-processor described in clause 8.
- XELQ will describe the account protection and device controls currently applied to those systems in writing on request, so the Customer can assess them rather than take them on trust.

The Software's own security measures — SQLCipher encryption at rest, keychain-held keys, passphrase-encrypted portable backups, an append-only audit log — are described in the Security document. Those protect data on the Customer's machine, and the Customer is responsible for operating them.

8. Sub-processors

XELQ uses one sub-processor, and the Customer gives general authorisation to it: the provider hosting the info@pesasahihi.com mailbox and XELQ's associated file storage. It supplies business email and file storage, and it may hold any personal data a Customer sends to that address, for as long as the message and its attachments are retained.

XELQ does not claim to have no sub-processors. The moment a Customer emails a database export to info@pesasahihi.com, the provider hosting that mailbox holds that data — so it is described here rather than left unstated. XELQ will name the current provider in writing on request to info@pesasahihi.com.

XELQ ensures the sub-processor is bound by written terms matching the substance of this Addendum, as regulation 25 of the Data Protection (General) Regulations 2021 requires.

XELQ will give the Customer written notice before changing that provider or engaging any further sub-processor, and the Customer may object on reasonable data protection grounds. XELQ remains fully liable to the Customer for its sub-processors' acts and omissions.

9. Transfers outside Kenya

The provider described in clause 8 may store or process data outside Kenya. XELQ will confirm the current storage location in writing on request, will give notice before it changes, and will comply with sections 48 and 49 of the Act in respect of any such transfer. XELQ makes no other transfer of Customer personal data outside Kenya.

Payroll records commonly include marital status, family details and property details, which are sensitive personal data under the Act, and section 49(1) permits their processing outside Kenya only with the data subject's consent and confirmed appropriate safeguards. The Customer, as controller, is responsible for having that consent or another lawful basis before sending such data to XELQ; XELQ is responsible for the safeguards on its side.

10. Assisting the Customer

XELQ will assist the Customer, so far as it reasonably can and taking account of the nature of the processing:

- to respond to requests from data subjects exercising rights under Part V of the Act;
- to meet the Customer's own security, breach notification and impact assessment obligations under sections 41 to 43 of the Act; and
- to consult the Data Commissioner where the Act requires it.

Where a data subject contacts XELQ directly about data held for a Customer, XELQ will not respond substantively. It will refer the person to the Customer and tell the Customer promptly.

11. Personal data breach

If XELQ becomes aware of a personal data breach affecting Customer personal data it holds, XELQ will notify the Customer **without delay and, where reasonably practicable, within 48 hours of becoming aware**, which is the processor-to-controller obligation in section 43(3) of the Act.

The notification will describe, so far as XELQ knows at the time: what happened, the categories and approximate number of data subjects and records affected, the likely consequences, and the measures taken or proposed. XELQ will supply further information as it becomes available, and will cooperate with the Customer's own notification to the Data Commissioner.

Breaches on the Customer's own equipment are the Customer's to detect and notify. XELQ has no visibility of the Customer's machines.

12. Deletion or return

When the support incident closes, XELQ will delete the personal data it received, or return it to the Customer if the Customer asks, together with any working copies. The Customer may request written confirmation of deletion.

XELQ may keep a record that the incident occurred, and correspondence about it, where that record does not include the personal data itself, or where Kenyan law requires retention.

13. Audit

XELQ will make available to the Customer the information needed to demonstrate compliance with this Addendum and section 42 of the Act, and will allow and contribute to audits, including inspections, conducted by the Customer or an auditor it appoints. Audits are on reasonable written notice, during business hours, no

more than once a year unless a breach has occurred, and subject to confidentiality.

14. Liability, term and governing law

Liability under this Addendum is subject to the limits in the licence agreement between the parties, except where the Act or other Kenyan law does not permit those limits to apply.

This Addendum runs for as long as the licence agreement, and its confidentiality, deletion and audit obligations survive it.

This Addendum is governed by the laws of Kenya, and the courts of Kenya have exclusive jurisdiction.

Schedule — details of processing

Subject matter: support, troubleshooting, data import assistance and migration for the Software.

Duration: the period the support incident, import or migration is open, and no longer.

Nature of the processing: receiving, storing, opening, decrypting where the Customer supplies the key or passphrase, inspecting, correcting and returning or deleting the Customer's payroll data.

Purpose: diagnosing and resolving the issue the Customer raised.

Types of personal data: as set out in clause 4.

Categories of data subject: the Customer's employees and former employees.

Obligations and rights of the Controller: as set out in this Addendum — the Customer instructs (clause 5), may object to sub-processor changes (clause 8), decides return or deletion (clause 12), and may audit (clause 13).

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