

# Specific Product Terms Schedules

## Schedule 1: POS AGGREGATED SERVICE

### 1. INTRODUCTION

The Merchant agrees to accept certain Cards as a form of payment on the terms and conditions of this Agreement.

### 2. INTERPRETATION

2.1 In this Schedule, the words below have the meanings set out in this clause, unless the context clearly shows that the parties intended a different meaning:

2.1.1 **“Chargeback(s)”** means a Transaction that is reversed because the customer has successfully disputed the Transaction;

2.1.2 **“Chargeback Recovery”** means Chargeback Transaction values which will be recovered from the Merchant’s net settlement amount, or will be debited from the Merchant’s nominated bank account should the settlement not be sufficient to cover the value of the Chargeback;

2.1.3 **“Code 10”** means the code which the Merchant will use to inform NuPay’s authorisation centre that a customer is acting suspiciously or to report a suspicious Transaction;

2.1.4 **“Electronic Authorisation Function”** means a facility available to the Merchant to get NuPay’s authorisation for a Transaction, by using the Terminal;

2.1.5 **“Floor Limit”** means the total value, including any part of the value of sales, which the Merchant may, without advance authorisation from the Bank, permit a customer to spend on a Card on any one occasion, all floor limits will be set at zero.

2.1.6 **“Initial Period”** means a period of 1 (one) year from the Signature Date;

2.1.7 **“Laundering”** means, for purposes of clause 7.9 of this Schedule, presenting sales vouchers that do not result from a Transaction between the Merchant and the customer;

2.1.8 **“Merchant Supervisor Function”** means the Terminal function which enables the Merchant (and the Merchant’s employees if the Merchant has authorised them to do so) to perform certain functions by using a supervisor card and secret code which NuPay gives to the Merchant;

2.1.9 **“PCI DSS”** means the auditable set of payment Card industry data security standards specified by the Bank and Card Associations from time to time, accessed at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org) or any other websites where the Merchant can access these standards which NuPay will inform the Merchant about from time to time;

2.1.10 **“Net Settlement”** or **“Settled”** means making payment to the Merchant’s nominated bank account of funds received by NuPay from the Bank only and from which the Merchant Discount fees have been deducted; and

2.1.11 **“Risk Security Balance”** means an amount withheld from Settlements if the value of monthly Chargebacks exceeds 1% (one per cent) of the monthly average value of Transactions processed in order to safeguard NuPay from excessive Chargebacks which may become unrecoverable.

### 3. TERM

3.1. Notwithstanding the provisions of clause 3.1 of the Agreement, this Schedule will start on the Signature Date and will remain in force for at least the Initial Period and thereafter will remain in force indefinitely (unless clause 30 of the General Terms and Conditions apply). Notwithstanding the foregoing, either Party may terminate this Schedule by giving the other Party at least 30 (thirty) days’ advance written notice, on condition that no such notice may be sent at any time unless clauses 3.2 and 3.3 of this Schedule are applicable.

3.2. NuPay may change any provision of this Schedule on 30 (thirty) days’ advance written notice to the Merchant. If the Merchant continues to use the Terminal after receiving NuPay’s notice, the Merchant shows that it agrees to this change. If the Merchant does not agree to the change, it must give NuPay 30 (thirty) days’ written notice in advance to the effect that it is ending this Schedule. If this happens, the Merchant will remain liable to NuPay for any amounts which it owes in terms of this Schedule up to the date on which this Schedule ends. NuPay may impose a reasonable cancellation penalty with respect to the POS Service and the Merchant’s use of the Terminal.

3.3. If the Merchant is not a juristic person, for purposes of section 14 of the CPA, the Merchant may end this Agreement at any time during the Initial Period by giving NuPay 20 (twenty) Business Days’ notice in writing to that effect. If this happens, the Merchant will still be liable to NuPay for any amounts which the Merchant owes to NuPay in terms of this Agreement up to the date on which this Agreement ends. NuPay may impose a reasonable cancellation penalty with respect to the Products and Services and the Merchant’s use of any Products and Services.

### 4. HONOURING OF CARDS

4.1 The Merchant undertakes and agrees to accept each valid Card that is presented by the rightful customer to the Merchant as payment for any goods or services or combination of goods and services which the Merchant sells to the customer.

4.2 The Merchant undertakes to supply the goods and services at a price which is not more than normal cash price for these goods and

services and not to discriminate against any customer by adding any surcharge (i.e. an extra amount or percentage) or by setting a minimum or maximum Transaction amount as a condition of the Merchant's accepting the Card as payment.

- 4.3 The Merchant may not make cash disbursements to customers. The Merchant may not accept Cards for the purchase of securities as defined in the Securities Services Act, No 36 of 2004, as amended or replaced from time to time.
- 4.4 NuPay will pay the Merchant the value of any goods and services which the Merchant supplied to a customer after NuPay receives a Terminal-generated receipt from the Merchant which shows that the Merchant posted a related Transaction as defined by the User Manual. NuPay will not pay where it is able to prove that the Merchant is not entitled to payment because the Merchant is guilty of asking for unlawful or excessive Chargebacks, fraud, or posting invalid Transactions, as explained in this Agreement.
- 4.5 The Merchant authorises NuPay to debit the Merchant's nominated bank account or any of the Merchant's other bank accounts (regardless of the bank at which they are held), each month, with the following:
  - 4.5.1 Chargeback Recovery values which have not been recovered from Settlements;
  - 4.5.2 Merchant Discount fees that were not recovered in the Settlement process; and
  - 4.5.3 any other fee or charge that may become due and payable as per clause 15 of the Agreement.
- 4.6 NuPay shall have the right to change the Merchant Discount rates and the basis on which they are debited (i.e. from settlement to monthly debits) on the terms and conditions of clause 3.2 of this Schedule.
- 4.7 If NuPay has approved a terminal or electronic device supplied by someone other than NuPay, which the Merchant wants to use to process Card Transactions, this terminal or device must be able to accept and process Chip Cards according to the EMV specifications (regardless of whether the Merchant or another person controls and owns the terminal or device).
- 4.8 The Merchant agrees to meet the EMV compliance requirements set out in clause 4.7 of this Schedule. The Merchant hereby undertakes in favour of NuPay to make good any loss, damage, or other liability which NuPay incurs or suffers at any time, and to pay any claim, arising from the Merchant's non-compliance with the EMV compliance requirements, brought against NuPay at any time, unless NuPay suffered or incurred this loss, damage or liability, or this claim was brought against NuPay because of NuPay's gross negligence or fraudulent intent or that of any person acting for or controlled by NuPay.
- 4.9 The Merchant with its agents and sub-contractors will ensure, where applicable, to comply with the PCI DSS and all obligations relating to data security, data compromises, and the steps necessary to demonstrate compliance with the PCI DSS. The Merchant can access full detail of the applicable obligations and processes at the PCI DSS website: <http://www.pcisecuritystandards.org>.

## 5. FLOOR LIMITS

A zero Floor Limit will apply and the Merchant must get authorisation for all of the Merchant's Transactions.

## 6. AUTHORISATION

- 6.1 The Merchant must get NuPay's authorisation for all Transactions by using the Terminal Electronic Authorisation Function.
- 6.2 When the Terminal requires a manual authorisation, the Merchant must write the authorisation code number down on each sales voucher or, by using the Merchant Supervisor Function, manually key in the authorisation code number on the Terminal. The Terminal will then print the authorisation code on a Terminal generated receipt.
- 6.3 On condition that the Merchant complies with clause 15 of this Schedule, if there is a POS system failure or if the Terminal is unable to read the Card for whatever reason, the Merchant must:
  - 6.3.1 get NuPay's authorisation in advance for all Transactions;
  - 6.3.2 take a manual imprint of the Card using an imprinter which NuPay has supplied or approved;
  - 6.3.3 get the customer's signature and write down on the sales voucher (in a manner that is easy to read) sufficient details that identify the customer, the Merchant, and the Bank. These details must include at least:
    - 6.3.3.1 the Merchant's name and address;
    - 6.3.3.2 the name or trade name of the Bank printed on the Card;
    - 6.3.3.3 the account number, the CCV number and the expiry date printed on the Card (or if two dates are printed on the Card, both the effective date and the expiry date);
    - 6.3.3.4 the customer's name and any company name; and
    - 6.3.3.5 any other embossed data such as security symbols (to be written down);
  - 6.3.4 enter all the required details including the authorisation code number into the Terminal (the Floor Limit for manual Transactions will apply);
  - 6.3.5 keep the copy of the signed sales voucher and the Terminal generated receipt for a period of at least 180 (one hundred and eighty) days from the date of the Transaction. The Merchant may not present these sales vouchers for payment.
- 6.4 The Merchant may not split or disguise Transactions, or act in any way to avoid obtaining authorisation.
- 6.5 Any payment made by NuPay for which the Merchant did not get authorisation in advance will be without harm (prejudice) to NuPay's rights. This does not mean that the Merchant does not need to get NuPay's authorisation for subsequent Transactions.
- 6.6 The Merchant must get authorisation from NuPay:
  - 6.6.1 for all budget Transactions;
  - 6.6.2 if the customer presents an expired Card;

- 6.6.3 if the customer fails to present his/her Card;
- 6.6.4 if the customer signature panel is blank or if the Merchant is suspicious of the Transaction.
- 6.7 In the event that the Terminal gives a message of “decline”, the Merchant needs not contact NuPay; but if the Terminal gives a message of “please call”, the Merchant must contact NuPay for authorisation.
- 6.8 An authorisation which NuPay grants in terms of this clause 5 is merely an indication that the relevant customer has enough money in his/her Card account to pay for the authorised Transaction at the time and on the date of the authorisation.
- 6.9 By authorising a Transaction NuPay does not warrant:
  - 6.9.1 the validity or genuineness of the Card;
  - 6.9.2 the identity and capacity of the person presenting the Card;
  - 6.9.3 that NuPay will pay the value of the authorised Transaction;
  - 6.9.4 that NuPay cannot Chargeback any payment made of the value of the authorised Transaction to the Merchant.
- 6.10 When a Chip Card Transaction is processed, certain additional security checks relating to data stored on the Card take place. This may result in the Terminal seeking online authorisation irrespective of the Transaction amount or Floor Limit.

## 7. MERCHANT'S OBLIGATIONS IN RESPECT OF SALES VOUCHERS AND TERMINALS

- 7.1 The Merchant must only use sales vouchers and tally rolls that NuPay issues and approves in writing.
- 7.2 The Merchant must imprint a copy of the Card on the sales voucher using an imprinter approved by NuPay. If NuPay supplies the Merchant with an imprinter, the Merchant must pay NuPay the fee set out in the Equipment and Rental Particulars. For an electronic Transaction, the Merchant must swipe the Card through the Card reader which forms part of the Terminal.
- 7.3 If the Merchant does a manual Transaction through the Terminal, the Merchant must imprint a copy of the Card on the sales voucher using a manual imprinter.
- 7.4 For an electronic Transaction, the Merchant must make sure that the time mechanism which forms part of the Terminal reflects the correct date and time, by using the Merchant Supervisor Function.
- 7.5 The Merchant must get the customer's signature on the sales voucher or Terminal generated receipt and provides the customer with a copy. The Merchant must compare the customer's signature with the signature on the back of the Card and if the signatures do not look the same, the Merchant must get a Code 10-authorisation from NuPay irrespective of the Transaction amount.
- 7.6 The Merchant must check that the current date in respect of a specific Transaction is not before the start date indicated on the Card or after the expiry date indicated on the Card.
- 7.7 The Merchant must retain a copy of each signed sales voucher or Terminal-generated receipt for a period of at least 180 (one hundred and eighty) days from the date of each Transaction.
- 7.8 The Merchant must submit copies of the signed sales voucher to NuPay within 3 (three) Business Days from the date on which NuPay asks for the signed sales voucher. If the Merchant fails to submit the signed sales voucher NuPay will be entitled to debit the Merchant's account with the amount of the Transaction.
- 7.9 The Merchant acknowledges and agrees that it will be in default under this Agreement if the Merchant Launders sales Vouchers.
- 7.10 If a Chip Card Transaction is processed, the Terminal may prompt the customer to enter a PIN. The Merchant should then present the Terminal pin-pad to the customer and ask the customer to do so.
- 7.11 When a Chip Card Transaction is processed, the Merchant must verify that there has not been any visible attempt to remove, re place or, damage the chip.
- 7.12 When a Chip Card Transaction is processed, the Card must be inserted into the Terminal's Chip Card reader (rather than swiped through the magnetic stripe reader). The Card must be left in the reader until the Transaction has been finalised and the Terminal prompts the Merchant to remove the Card.

## 8. PRESENTATION OF PAYMENT

- 8.1 In the case of electronic Transactions, the following will apply:
  - 8.1.1 the Merchant must present a Terminal generated receipt for payment by means of an interchange of electronic data between the Terminal and NuPay through NuPay. NuPay will determine the frequency of the interchange of data. But the Merchant must make sure that it deposits all Terminal generated receipts electronically within 3 (three) Business Days of the Transaction date;
  - 8.1.2 if, for whatever reason, this interchange of data cannot take place NuPay will be entitled to get the necessary information from the Merchant's copy of the Terminal generated receipt and then to process the affected Transaction manually;
  - 8.1.3 the Merchant agrees to notify NuPay immediately of any mistakes in the data that is interchanged because of a defective Terminal or communication link. In such a case NuPay's liability will be limited to correcting the mistakes in the data;
  - 8.1.4 NuPay will credit or debit the Merchant's nominated bank account or any other account held by the Merchant with the total net amount of all duly completed and valid Terminal generated receipts and valid credit vouchers presented for payment; and
  - 8.1.5 Every time NuPay credits the Merchant's nominated bank account, NuPay will retain the right to cancel the payment it has made on any invalid sales vouchers or electronic Transactions by debiting the Merchant's nominated bank account or any of

the Merchant's other accounts with the amount of the invalid sales voucher or invalid electronic Transaction.

## 9. WARRANTIES

9.1 When the Merchant presents a Transaction for payment to NuPay, the Merchant warrants that:

- 9.1.1 all statements of fact contained in the sales voucher or electronic Transaction are true and correct;
- 9.1.2 the Merchant delivered goods and supplied services at its normal cash price with no additional charges or provision of credit of any kind;
- 9.1.3 the Transaction between the Merchant and the customer is not illegal;
- 9.1.4 the Merchant has complied with all the terms of this Agreement;
- 9.1.5 the Merchant undertakes to pay any claim brought against NuPay and to make good any loss or liability NuPay may suffer because of (i.e. as a result of or in connection with) any dispute between the Merchant and the customer regarding any goods or services which the Merchant supplied or delivered to the customer. (This is known in law as an indemnity.) The Merchant must prove to NuPay's satisfaction that the customer authorized NuPay to debit his/her account; and
- 9.1.6 the Merchant did, in fact, supply all the goods and services recorded in the sales vouchers or Transactions to the customer.

## 10. INVALID TRANSACTIONS

10.1 Any sales voucher or Terminal generated receipt will be invalid if one or more of the following occur:

- 10.1.1 the then current date is before the start date indicated on the Card or the Card has expired and the Merchant did not get authorisation from NuPay;
  - 10.1.2 the Transaction does not comply with the warranties in clause 9 of this Schedule;
  - 10.1.3 the value of the Transaction is more than the authorised Floor Limit and the Merchant did not get authorisation from NuPay in advance;
  - 10.1.4 the customer has tendered a Card but no signature appears on the sales voucher or Terminal generated receipt;
  - 10.1.5 the customer has tendered a Card but the signature which appears does not correspond with the signature on the Card;
  - 10.1.6 the Merchant accepted a Chip Card, but using the Merchant Supervisor Function described in clause 12.11 of this Schedule the Merchant processed the Transaction using the magnetic stripe data or by making a manual Card detail entry;
  - 10.1.7 the Merchant accepted a Chip Card, but processed the Transaction using magnetic stripe data because the Terminal is not EMV-compliant as required in clause 4.7 of this Schedule;
  - 10.1.8 the sales voucher or Terminal generated receipt is different from the copy the Merchant gave to the customer;
  - 10.1.9 the sales voucher or Terminal generated receipt is materially incomplete, which incompleteness will be determined in the sole and absolute discretion of NuPay;
  - 10.1.10 the Merchant accepted a mutilated, defaced, blank or illegible Card;
  - 10.1.11 the Merchant did not present the sales voucher or the electronic Transaction within the agreed period;
  - 10.1.12 the Merchant is in default of any provision under this Agreement at the time when the Merchant concluded the Transaction with the customer;
  - 10.1.13 the sales voucher or Terminal generated receipt was not processed on an imprinter or Terminal which NuPay supplied or approved;
  - 10.1.14 the customer has returned the goods he/she paid for to the Merchant because he/she is entitled to do so in terms of applicable law or an agreement with the Merchant;
  - 10.1.15 the Transaction represents collection of a dishonoured cheque (i.e. a cheque which was returned unpaid);
- 10.2 NuPay may choose to treat any of the above Transactions as valid but without prejudice (i.e. harm or limitation) to its rights in any later Transaction to treat any similar Transactions as invalid.
- 10.3 If there is an invalid Transaction as set out above, NuPay has the right to charge each such invalid Transaction back to the Merchant in accordance with clause 15 of the Agreement.

## 11. REFUNDS

- 11.1 If a customer returns the goods he/she paid for to the Merchant in circumstances where he/she is entitled to do so in terms of applicable law or an agreement with the Merchant, and the Merchant refunds the customer, the Merchant must complete a Terminal refund Transaction.
- 11.2 The Merchant may not make a cash refund to a credit customer.
- 11.3 The Merchant must get the signature of the customer on the credit voucher or Terminal generated receipt.
- 11.4 The Merchant must give a copy of the credit voucher or Terminal generated receipt to the customer.
- 11.5 The Merchant must present all credit vouchers to NuPay or post the value of the Terminal generated receipt within 3 (three) Business Days from the date of a Transaction.
- 11.6 The Merchant must retain copies of all credit vouchers and Terminal generated receipts for a period of at least 180 (one hundred and eighty) days.

- 11.7 The Merchant may only make refunds to the same Card that was used for the specific Transaction.
- 11.8 The Merchant may only make refunds if there was a valid purchase Transaction.

## 12. PROVISIONS RELATING SPECIFICALLY TO TERMINALS

- 12.1 For purposes of this clause, any reference to a Terminal will include the “accessories” for that Terminal set out in the Equipment and Rental Particulars.
- 12.2 If NuPay supplies the Merchant with a Terminal, the Merchant must pay NuPay the fee as set out in the Equipment and Rental Particulars. NuPay may change the amount of this fee on the terms and conditions of clause 3.2 of this Schedule above.
- 12.3 NuPay will at all times own all Terminals which are supplied to the Merchant in terms of this Agreement. If the Merchant rents the premises from where it trades and at which it keeps any of NuPay’s Terminals, the Merchant must inform its landlord in writing that NuPay is the owner of the Terminals.
- 12.4 NuPay will insure all Terminals (excluding Mobile Terminals) at a fee as set out in the relevant Annexures. An administration and reinstallation fee as set out in the relevant Annexures, will be payable on the loss of any Terminal.
- 12.5 The Merchant is required to insure any Mobile Terminal received from NuPay, and NuPay may, in its sole discretion, request the Merchant to produce proof of such insurance at any time.
- 12.6 The Merchant must take proper care of NuPay Terminals. The Merchant will be liable to NuPay if it damages or loses any of the Terminals. The Merchant must notify NuPay immediately by fax or e-mail with regard to any damage and/or loss of NuPay Terminals.
- 12.7 When this Agreement terminates (for whatever reason), the Merchant must immediately return to NuPay all Terminals which NuPay supplied to the Merchant, at the Merchant’s own cost. If the Merchant returns the Terminal to any of NuPay’s branches, then the Merchant must also inform NuPay by fax or e-mail that the Merchant has returned one or more of NuPay’s Terminals.
- 12.8 The Merchant may under no circumstances move a Terminal from one sales outlet to another without NuPay’s written permission in advance.
- 12.9 The Merchant must provide and maintain all electrical and/or other connections necessary for the operation of the Terminals in accordance with NuPay’s requirements from time to time.
- 12.10 The Merchant must pay all the amounts which all third-party providers approved by NuPay charge in connection with the connection, operation and proper functioning of the Terminals.
- 12.11 Concerning the Merchant Supervisor Function:
  - 12.11.1 the Merchant must make sure that only the Merchant’s employees who are authorised to do so will perform the Merchant Supervisor Function. Each merchant supervisor function performed by such an employee on the Merchant’s behalf will be treated as valid. The Merchant agrees never to dispute the validity of any of these functions or the authority of any of the Merchant’s employees; and
  - 12.11.2 the Merchant will be liable for any error or fraud committed by any of the Merchant’s employees or anyone else who uses the Merchant supervisor function.

## 13. FRAUDULENT TRANSACTIONS

- 13.1 In this clause the term “Fraudulent Transactions” means any Transaction which, in terms of applicable law, would constitute fraud (irrespective of whether NuPay provided the Merchant with an authorisation code number or not). This will include all purchases and Transactions which a person other than the authorised customer makes with a Card and all use of a Card which has been unlawfully or illegally issued.
- 13.2 The Merchant must not present records of Transactions that the Merchant knows or should have known were fraudulent or unauthorised by the customer. The Merchant agrees that it will be responsible for the actions of the Merchant’s employees at all times for fraudulent Transactions.
- 13.3 NuPay is entitled to debit any of the Merchant’s bank accounts at any time with the value of all Fraudulent Transactions which the Merchant deposits or posts electronically.
- 13.4 NuPay reserves the right to end this Agreement immediately if the Merchant perpetrates fraud or NuPay reasonably suspects that the Merchant has perpetrated fraud.

## 14. INSPECTIONS

- 14.1 The Merchant will permit NuPay, or NuPay’s agent reasonable access to the Merchant’s business premises to:
  - 14.1.1 conduct physical inspections to ensure that the Merchant is complying with the terms and conditions of this Agreement;
  - 14.1.2 investigate any customer claims that the Merchant is not complying with the terms of this Agreement; and
  - 14.1.3 Investigate instances in which NuPay reasonably suspects that the Merchant is involved in fraud.

## 15. IT IS THE MERCHANT’S RESPONSIBILITY TO CHECK STATEMENTS

Subject to the provisions of clause 16 of the General Terms and Conditions (Accounts) which, for clarity, applies to queries regarding entries

on the Merchant's bank account, it is the Merchant's responsibility to check all the statements NuPay sends the Merchant. The Merchant must let NuPay know in writing within 10 (ten) Business Days of the date of the statement if there is something on a statement that the Merchant does not agree with. If the Merchant does not let NuPay know within this time NuPay is entitled to treat the statement as correct and fully accepted by the Merchant and the Merchant will have no right to dispute the statement thereafter.

## 16. DEBIT CARDS AND CREDIT CARDS

- 16.1 The provisions of this clause apply to debit cards and credit cards, despite any other provisions to the contrary in this Agreement.
- 16.2 The Merchant agrees to accept for payment each valid debit card and credit card that a customer presents to the Merchant. A zero Floor Limit will apply to all Card Transactions which the Merchant processes using debit cards and credit cards.
- 16.3 All Card Transactions are electronic Transactions. The Merchant may not make use of any other device other than the Terminal to process these Transactions. If for any reason, the Terminal is not functioning, the Merchant cannot process any Transactions. If the Merchant uses any other device to process Transactions, NuPay will have the Chargeback rights as set out in clause 15 of the Agreement. All debit card Transactions will be swipe-PIN based Transactions and all credit card Transactions will be either swipe-based Transactions or PIN based Transactions (in the event of a Chip Card).
- 16.4 The Merchant agrees to pay NuPay:
  - 16.4.1 the Merchant Discount for each Card Transaction which the Merchant processes using the Terminal; and
  - 16.4.2 rental for each Terminal which NuPay supplies to the Merchant in the amounts set out in the Equipment and Rental Particulars.
- 16.5 The Merchant acknowledges that NuPay may change the amount of each fee described this Schedule, subject to the provisions of clause 3.2 of this Schedule.
- 16.6 When a customer presents a debit card or a credit card to the Merchant for a Transaction, the Merchant:
  - 16.6.1 must enter the Transaction type and amounts;
  - 16.6.2 must present the Terminal to the customer complete with the Merchant's cover, to allow the customer to swipe his/her Card and /or enter his/her PIN, if applicable;
  - 16.6.3 must make sure that the customer can effect Transactions in a secure environment; and
  - 16.6.4 must make sure that the customer retains possession of the Card at all times. Under no circumstances may the Merchant request the customer to give the Merchant his/her Card or PIN. The Merchant undertakes to make good any loss or damage that we incur or suffer at any time because of (that is, as a result of or in connection with) the fact that the Merchant asked for and got hold of the customer's Card or PIN unless NuPay suffered or incurred this loss or damage, or this claim was brought against NuPay, because of NuPay's own gross negligence or fraudulent intent or that of any person acting for or controlled by NuPay. (This is known in law as an indemnity.).

## 17. NET SETTLEMENT AND CHARGEBACK RECOVERY PROCESS

- 17.1 All Transactions processed successfully and banked from the Merchant's NuPay Terminal will be settled on the following basis:
  - 17.1.1 funds due to the Merchant will be Net Settled to the Merchant's nominated account as per the User Manual.
  - 17.1.2 NuPay reserves the right to retain a Risk Security Balance in the event that Chargebacks in a period exceeding 1% (one per cent) of the values processed.
  - 17.1.3 The Risk Security Balance will be at least 1% (one per cent) of the average monthly electronic Transactions processed plus the value of all Chargebacks received in the preceding month. The Risk Security Balance will be reviewed monthly by NuPay, in its sole and absolute discretion.
  - 17.1.4 Chargeback recoveries will be offset against the day's Settlement first. Should the day's Settlement be insufficient to cover the value of the Chargeback, a debit order will be raised against the Merchant's nominated bank account for such outstanding amount.
- 17.2 The Risk Security Balance held by NuPay in the last month of this Agreement will be retained for 180 (one hundred and eighty) days after termination of this Agreement to cover Chargebacks processed after termination of the Agreement. Should the Chargebacks exceed the risk security balance held by NuPay, a debit order will be raised against the Merchant's nominated bank account for such outstanding amount. Any balance remaining after 180 (one hundred and eighty) days will be paid into the Merchant's nominated account.

## 18. MAIL/TELEPHONE/E-MAIL ORDER TRANSACTIONS

The Merchant may not process any Transaction if the Merchant has to rely only on the Card number and details which the customer gives the Merchant without the customer actually presenting the Card to the Merchant, unless the Merchant gets NuPay's written permission in advance to do so.

- 18.1 Mail Order Transactions:
  - 18.1.1 The Merchant must process all mandates received from customers from time to time (where a mandate means the instruction the Merchant received from a customer to process a payment which the customer wants to make using his/her Card and which takes the form of a voucher which the customer signs).
  - 18.1.2 The Merchant must get NuPay's authorisation in advance for each mail order Transaction amount which is more than the authorised

Floor Limit.

- 18.1.3 The Merchant must write down clearly on each sales voucher enough detail to identify the customer, the Merchant and the Bank. These details must include at least:
- 18.1.3.1 the Merchant's name and address;
  - 18.1.3.2 the customer's name as it is printed on the card;
  - 18.1.3.3 the account number printed on the Card and CCV number, being the last 3 (three) digits printed on the signature panel on the reverse side of the Card; and
  - 18.1.3.4 the expiry date printed on the Card (or if two dates are printed on the Card, both the effective date and the expiry date).
- 18.1.4 The Merchant must then input all of these details, including the authorisation code number, into the Terminal. The Merchant may not submit any paper- based sales vouchers for mail order Transactions to NuPay for processing.
- 18.1.5 The Merchant must keep the copy of the completed sales voucher and the Terminal generated receipt for a period of at least 180 (one hundred and eighty) days from date of the Transaction.
- 18.1.6 The Merchant undertakes to pay any claim brought against NuPay and to make good any loss or liability NuPay may suffer arising from any dispute between the Merchant and the customer. The Merchant authorises NuPay to debit any of the Merchant's bank accounts (at whichever bank the Merchant holds these accounts) with the value of the Transaction disputed by any customer. NuPay will involve itself in any of these disputes. If relevant to any dispute, the Merchant must prove to NuPay's satisfaction that it did in fact deliver, and that the client did in fact receive all the goods and services referred to in any disputed voucher.

## 18.2 Telephone/E-Mail Order Transactions:

- 18.2.1 NuPay may debit the Merchant's nominated bank account with the amount of the Merchant Discount. This is calculated as a percentage of the total value of all telephone and e-mail order Transactions which the Merchant processes, in accordance with ANNEXURE A of the Service Agreement.
- 18.2.2 A zero Floor Limit will apply to all telephone and e-mail order Transactions. For this reason, the Merchant must get NuPay's permission in advance in terms of clause 5 of this Schedule for each telephone and e-mail order Transaction.
- 18.2.3 Where a customer disputes any telephone or e-mail Order Transaction, NuPay will immediately debit the Merchant's account with the amount of the disputed Transaction. In this case, the Merchant must find a solution to the dispute with the customer and NuPay will not involve itself in this dispute. But if the dispute is about whether the Merchant delivered goods or services or a combination of goods and services to the customer, the Merchant must prove to NuPay's satisfaction that the Merchant did deliver and that the customer did not receive these disputed goods or services, or both.
- 18.2.4 The Merchant undertakes to make good any loss or damage which NuPay incurs or suffers at any time and pay any claim brought against NuPay at any time arising from the fact that the Merchant did not get the customer's signature after the Merchant concluded a telephone or e-mail order Transaction, unless NuPay suffered or incurred this loss or damage, or this claim was brought against NuPay, because of NuPay's own gross negligence or fraudulent intent or that of any person acting for or controlled by NuPay .

## 19. RETURN AND REFUND POLICY

- 19.1 The Merchant selling goods must have a refund policy which the Merchant must provide to the Merchant's consumer and make available to NuPay on request.
- 19.2 The refund policy applies to all goods that the Merchant supplies.

## 20. DELIVERY OF GOODS, START OF SERVICES AND DELAYS AFFECTING SERVICES

- 20.1 NuPay will be able to start with the Services it must provide to the Merchant under this Schedule when:
- 20.1.1 NuPay has approved the Merchant's application form and the required documentation; and
  - 20.1.2 the parties have complied with any further conditions imposed by law.
- 20.2 The Merchant may choose to accept delivery of goods, for example, a Terminal, at one of NuPay offices or at the Merchant's chosen address. The Merchant may also specify the date and time of delivery. If the Merchant needs to use the goods to access Services, NuPay will only be able to start the Services after the Merchant has accepted delivery of the goods.
- 20.3 NuPay may be unable to provide the Merchant with any Services if power outages occur which affect NuPay's facilities, electronic terminals, service providers or supporting networks.
- 20.4 NuPay will not be liable for any damage arising from:
- 20.4.1 a network breakdown;
  - 20.4.2 a system failure;
  - 20.4.3 equipment malfunction;
  - 20.4.4 the destruction of or damage to facilities caused by power failures or similar occurrences;
  - 20.4.5 loss or damage caused by events beyond NuPay's control; or
  - 20.4.6 the fact that the Merchant or the customer is not able to gain access to the Terminal or to utilise it.

## 21. FEES APPLICABLE TO THE SERVICES

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 21.1 Annexure A of the Services Agreement; and / or
- 21.2 Annexure D (if selected) of the Services Agreement.

## Schedule 2: EPV SERVICE

### 1. INTERPRETATION

In this Schedule, the words below have the meanings set out in this clause, unless the context clearly shows that the parties intended a different meaning:

- 1.1 **"Airtime Voucher"** means a sales voucher or EDC Terminal generated receipt reflecting the Network PIN number necessary to activate the prepaid airtime on that Network operator's network, which means that the PIN shall, when entered on the Network operator's network shall afford the Customer access to a predetermined amount of voice or data services known as "electronic pre-paid Vouchers" on the Network operator's network which corresponds to the face value of the Voucher concerned. Vouchers are sold in different denominations from time to time as offered by the Network concerned.
- 1.2 **"Merchant Funding Account"** means the Non Interest Bearing Virtual Account that will be created by NuPay for and on behalf on the Merchant. This account will be credited with deposits received from the merchant (paid into the Trust account). This account will be debited with the face value of all EPV sales made and will maintain the available balance from which the merchant will purchase vouchers.
- 1.3 **"NuPay Trust Account"** means the account as defined by NuPay, into which the merchant will deposit funds as pre-funding for EPV purchases. The account details are defined below:
  - Bank : Absa
  - Account Name : NuPay EPV
  - Account Number : 4075731492
  - Branch Code : 632005
- 1.4 **"Merchant Billing Account"** means the billing account as defined by the merchant to facilitate the debit of any costs associated with the EPV system.

### 2. PROVISIONS PERTAINING TO ELECTRONIC PREPAID VOUCHER PURCHASES

- 2.1 Upon the Signature Date, the Merchant shall be issued with an EPV Token Card in respect of the Funding Account when approved by NuPay. The Merchant shall co-operate in all respects with NuPay in the issue of the EPV Token Card and the opening of the Funding Account in its name. The EPV Token Card will be used by the Merchant for all EPV purchases. No EPV Token Card will be issued to the Merchant unless there are available funds in the Funding Account to perform Electronic Prepaid Voucher Transactions.
- 2.2 The available balance on the Funding Account will reflect the amount available for EPV purchases.
- 2.3 All Electronic Prepaid Voucher Transactions shall be electronic swipe Transactions effected by an EDC Terminal, by swiping the EPV Token Card. If for any reason whatsoever the EDC Terminal is not functioning or cannot read and process the EPV Token Card, no EPV Transactions may be purchased by the Merchant.
- 2.4 The Merchant undertakes to provide the part of the Electronic Prepaid Voucher containing the PIN number to the customer in a secure environment. The Merchant acknowledges that the PIN number is personal to the customer and may not be viewed or utilized by the Merchant, any of its employees or representatives, or any other party. In this regard, the Merchant will be liable for the acts of its employees and representatives.

### 3. MERCHANT DISCOUNT

- 3.1 The Merchant shall be allocated the discount as contemplated in Annexure E. The Merchant shall, therefore, pay NuPay an amount which is discounted from the face value of the Electronic Prepaid Voucher. The Merchant shall sell the Electronic Prepaid Voucher to customers at the face value thereof or less. The Merchant may not sell the Electronic Prepaid Voucher to customers at prices that exceed the face value of the Electronic Prepaid Voucher.
- 3.2 The discount may vary depending on changes in margins provided by the Network Operators or Service Providers. NuPay will notify the Merchant of any changes to the discount 30 (thirty) days in advance of such change by way of written notice on the Merchant statements.
- 3.3 The said discount will be affected into the Merchant Funding Account by updating the available balance at the end of the day, on a daily basis.



#### 4. MERCHANT DISCOUNT DISBURSEMENT CYCLE

- 4.1 At the time of purchase, the full EPV value will be debited from the Merchant's funding account.
- 4.2 At the end of each day, the discounted value will be calculated on the basis as set out in Annexure E, and the discounts earned on sold EPVs will be credited to the Merchant's funding account as follows:  
A - B = C  
Where: A = Full EPV Value, B = Discount Value, C = Discount Earned (Credited back to the Merchant's funding account.)
- 4.3 Deposits made into the Trust Account will be credited to the Merchant's funding account in the same cycle as in clause 4.2 of this Schedule. The Merchant acknowledges that Transactions can only be effected if there are sufficient funds available in the Merchant's funding account.

#### 5. CREDITING THE MERCHANT'S FUNDING ACCOUNT

- 5.1 The Merchant acknowledges that deposits made into the Trust Account by the Merchant will be credited to the Merchant's funding account by NuPay.
- 5.2 The Merchant shall ensure that all deposits made by it into the Trust Account reflect the reference number provided by NuPay to the Merchant. In the event that NuPay cannot allocate a deposit made into the Funding Account due to incorrect referencing used by the Merchant, such deposit will be kept in a suspense account until such time as the Merchant can provide proof of payment by means of a deposit slip or proof of internet transfer. Such proof of payment must be sent to NuPay by the Merchant as outlined in the User Manual. Query resolution in such an instance may take up to 2 (two) Business Days. Once resolved, the Merchant's funding account will be updated to reflect the value within the next disbursement cycle as outlined in clause 4.3 of this Schedule.
- 5.3 Crediting of the Merchant's funding account may take between 12 (twelve) and 48 (forty-eight) hours from the deposit date or date of internet transfer into the Trust Account, in line with standard banking practices.

### **Schedule 3: MPS & PAAF SERVICE**

#### 1. NATURE OF NON-AUTHENTICATED

- 1.1 Non-authenticated comprises a service in terms of which NuPay acts as a Transaction service provider to the Merchant in order to enable the Merchant to process Transactions through the South African banking industry in respect of the following type of Transaction:
- 1.1.1 MPS debits, comprising the collection of amounts owed to the Merchant by third parties or payable to the Merchant for any reason or cause whatsoever.
- 1.2 Transaction Instructions shall be provided by the Merchant by means of Bulk Import File in the format prescribed by NuPay, the NuPay website, or a spreadsheet for the purposes of capturing and electronically transmitting such instructions to NuPay.

#### 2. DISBURSEMENT CYCLE

- 2.1 The Disbursement Cycle is set out in the User Manual (available at [www.nupay.co.za](http://www.nupay.co.za)) and/or the limit notification letter.
- 2.2 The Disbursement value will be the net value, which should take into account all successfully debited amounts, less all disputed (reversed) amounts, less a risk management fund value (if any) less unpaid fees and tariffs (if any) less a retainer (if any) as attributable to the Disbursement Cycle.

#### 3. PROVISIONS OF AGGREGATED LIMIT CONDITIONS

This facility will be at the sole discretion of NuPay and may be adjusted or revoked at the sole discretion of NuPay. The facility allows the Merchant to process Transactions to the value of its approved individual Transaction and aggregate Transaction limit. When uploading transactions for a specific processing date, the limit is calculated for the specific calendar month and may not be exceeded. If the value of the Transaction and aggregate exceeds their respective limits the Transactions will be uploaded 'inactive'. Should the limit be adjusted, the Merchant is required to activate the inactive Transactions. A limit adjustment is not automatic or guaranteed.

**Please take note of the following rules regarding settlement for the approved product type:**

##### ***MPS SSV and 2 Day Debit:***

- Settlement will occur 7 days after processing.
- The settlement will be best effort.
- Success value collected will be Net Settled less unpaid, disputed transactions and / or retainer (where applicable),

##### ***MPS NDS:***

- Settlement will occur next day after processing.
- The settlement will be best effort.
- Success value collected will be Net Settled less unpaid, disputed transactions and / or retainer (where applicable),

## RETAINER:

- Retainers are a percentage of the monthly limit that is allocated to the Product and determined at NuPay's sole discretion .
- Retainers will be deducted from the first settlement made on the Product and will be held for the duration the Product usage. Once the product is uninstalled, the retainer will remain with NuPay for a period of 90 days after uninstalling and will then be settled to the merchant account.
- The retainer percentage is based on the failed and dispute ratio and may be adjusted according to the merchant's profile and will be adjusted accordingly.
- Should failed/disputed values be more than successful values, the retainer is used to provide funds to recover against.
- Should the Merchant account balance be negative and the retainer not be sufficient to cover the negative balance, NuPay reserves the right to collect the negative value from the Merchants nominated bank account as per the company resolution.
- Should SASSA fall on the last weekend (Friday/Saturday) of the month, a retainer will be allocated to all the weekly settled Merchants. This retainer will be settled on the Monday after all disputes/failed transactions have been accounted for.
- Any outstanding fees due to NuPay as defined in the Services Agreement can be recovered against settlements.

## 4. RISK MANAGEMENT FUND

### 4.1 Upon the Merchant signing up with NuPay:

- 4.1.1 NuPay may, in its sole discretion, retain a percentage of the value of Transactions processed for risk management reasons.
- 4.1.2 The risk management fund is calculated based on the percentage of the value of the approved limit granted to the Merchant by NuPay.
- 4.1.3 A default minimum of 10% will be applied but can be higher depending on the Merchant's risk management category.
- 4.1.4 The amount of the risk management fund retained will be communicated with the Merchant by means of a notification letter.

### 4.2 Risk management funds retained by NuPay, if any, shall be retained for a minimum period of 4 (four) months after the expiry or termination of the Agreement, after which period the funds will be released to the Merchant.

### 4.3 NuPay may in its sole discretion allocate a risk management category to any Merchant during the vetting process. NuPay may, in its sole discretion, vary the risk management category allocated to the Merchant based on performance history of the Merchant of its Transactions.

## 5. FEES APPLICABLE TO SERVICES

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 5.1 Annexure A of the Services Agreement; and / or
- 5.2 Annexure D (if selected); and
- 5.3 the TPF fee schedule 7M (if selected)

## 6. DEBIT ORDER ABUSE

### 6.1 Mandatory Mandate Requirements:

- 6.1.1 Mandates are required for all MPS & DebiCheck Transactions.
- 6.1.2 Before the Merchant can collect a payment instruction, a Consumer must issue the Merchant with a Mandate, authorizing it to collect a payment instruction against his account and email a copy to NuPay at [mandate@altron.com](mailto:mandate@altron.com). Should NuPay not receive a copy, NuPay reserves the right to not process any Transaction which does not have a supporting mandate received by NuPay.
- 6.1.3 A "Mandate" is a document which contains specific information pertaining to the Merchant, including the relevant debit order details and Consumer details. The Mandate may form part of the credit agreement, however is still required to contain all the relevant information as requested by PASA.
- 6.1.4 The following elements will be required on each Mandate to constitute a valued payment mandate:
  - 6.1.4.1 Abbreviated Name of the Merchant (as it will appear on the Consumer's bank statement);
  - 6.1.4.2 Name of the Merchant;
  - 6.1.4.3 Deduction Amount (Instalment Amount);
  - 6.1.4.4 Deduction Date (Original Instalment Date);
  - 6.1.4.5 Initials and Surname of the Customer/acountholder;
  - 6.1.4.6 ID number of the Customer/acountholder;
  - 6.1.4.7 Banking Details of the Customer/acountholder;
  - 6.1.4.8 Customer/acountholder mobile number.
- 6.1.5 In addition to the above, explicit authority must be given by the accountholder to the Merchant to process the debit order.
- 6.1.6 To ensure that Merchants remain compliant with the requirements set forth, a compliance monitoring process has been defined to prevent the abuse of debit orders. The details are laid out below.

### 6.2 Debit Order Abuse Investigation:

- 6.2.1 The following triggers will result in an investigation into the conduct of the Merchant to determine whether there is evidence of

debit order abuse:

- 6.2.1.1 Dispute Ratio – The set thresholds in the EFT Payment Clearing Rules for disputes is set at 0.5% of total Transactions submitted. If the Merchant exceeds this threshold it will be triggered for investigation.
- 6.2.1.2 Complaints – Any complaint raised against the Merchant for possible debit order abuse will result in investigation;
- 6.2.1.3 Site Visit Observation – Upon site visits performed by NuPay Relationship Consultants where it is observed that possible debit order abuse might be present;
- 6.2.1.4 Upon Instruction of any Regulatory Body such as PASA, National Payments System, Financial Services Board it will result in investigation.

6.2.2 Should the Merchant be identified for investigation, the Merchant will be required to supply signed Mandates for randomly selected Transactions. If the Merchant utilises voice Mandates it must reduce such Mandates to paper Mandates within 21 business days, to qualify as valid Mandates.

### 6.3 Penalties:

- 6.3.1 Financial Penalties: Should it be found that the Merchant has not adhered to the compulsory Mandate requirements, a fine of R1000 will be levied for each transgression (each Mandate). This fine(s) will be billed against the Merchant's bank account;
- 6.3.2 Suspension of NuPay Services: NuPay reserves the right to suspend and cancel the Services;
- 6.3.3 Debit Order Abuse List: Where the Merchant fails to produce valid Mandates, NuPay will notify PASA and PASA will list the Merchant (including their Directors and Members) on the User Debit Order Abuse List.
- 6.3.4 Whilst the Merchant is on the debit order abuse list, it will not be able to move to any other bank / service provider to process Transactions. To be cleared from the debit order abuse list, the Merchant will have to furnish PASA with proof that all relevant requirements are being adhered to.
- 6.3.5 Should the Merchant fail to rectify its processes and continue to process Transactions in contravention of the above requirements, the Merchant (including its Directors / Members) will be blocked from processing any debits going forward.

## **Schedule 4: MPS SERVICE**

### 1. NATURE OF NON-AUTHENTICATED

- 1.1 Non-authenticated comprises a service in terms of which NuPay acts as a Transaction service provider to the Merchant in order to enable the Merchant to process Transactions through the South African banking industry in respect of the following type of Transactions:
  - 1.1.1 MPS debits, comprising the collection of amounts owed to the Merchant by third parties or payable to the Merchant for any reason or cause whatsoever.
- 1.2 Transaction Instructions shall be provided by the Merchant by means of Bulk Import File in the format prescribed by NuPay, the NuPay website, or a spreadsheet for the purposes of capturing and electronically transmitting such instructions to NuPay.

### 2. DISBURSEMENT CYCLE

- 2.1 The Disbursement Cycle is set out in the User Manual (available at [www.nupay.co.za](http://www.nupay.co.za)) and or the limit notification letter.
- 2.2 The Disbursement value will be the net value, which should take into account all successfully debited amounts, less all disputed (reversed) amounts, less a risk management fund value (if any) less unpaid fees and tariffs (if any) less a retainer (if any) as attributable to the Disbursement Cycle.

### 3. PROVISIONS OF AGGREGATED LIMIT CONDITIONS

This facility will be at the sole discretion of NuPay and may be adjusted or revoked at the sole discretion of NuPay. The facility allows the Merchant to process Transactions to the value of its approved individual Transaction and aggregate Transaction limit. When uploading transactions for a specific processing date, the limit is calculated for the specific calendar month and may not be exceeded. If the value of the Transaction and aggregate exceeds their respective limits the Transactions will be uploaded 'inactive'. Should the limit be adjusted, the Merchant is required to activate the inactive Transactions. A limit adjustment is not automatic or guaranteed.

**Please take note of the following rules regarding settlement for the approved product type:**

#### ***MPS SSV and 2 Day Debit:***

- Settlement will occur 7 days after processing.
- The settlement will be best effort.
- Success value collected will be Net Settled less unpaid, disputed transactions and / or retainer (where applicable),

#### ***MPS NDS:***

- Settlement will occur next day after processing.
- The settlement will be best effort.

- Success value collected will be Net Settled less unpaid, disputed transactions and / or retainer (where applicable),

#### **RETAINER:**

- Retainers are a percentage of the monthly limit that is allocated to the product and determined at NuPay's sole discretion.
- Retainers will be deducted from the first settlement made on the Product and will be held for the duration the Product usage. Once the Product is uninstalled, the retainer will remain with NuPay for a period of 90 days after uninstalling and will then be settled to the Merchant account.
- The retainer percentage is based on the failed and dispute ratio and may be adjusted according to the Merchant's profile and will be adjusted accordingly.
- Should failed/disputed values be more than successful values, the retainer is used to provide funds to recover against.
- Should the Merchant account balance be negative and the retainer not be sufficient to cover the negative balance, NuPay reserves the right to collect the negative value from the Merchant's nominated bank account as per the company resolution.
- Should SASSA fall on the last weekend (Friday/Saturday) of the month, a retainer will be allocated to all the weekly settled Merchants. This retainer will be settled on the Monday after all disputes/failed Transactions have been accounted for.
- Any outstanding fees due to NuPay as defined in the Services Agreement can be recovered against settlements.

#### **4. RISK MANAGEMENT FUND**

##### **4.1 Upon the Merchant signing up with NuPay:**

- 4.1.1 NuPay may, in its sole discretion, retain a percentage of the value of Transactions processed for risk management reasons.
- 4.1.2 The risk management fund is calculated based on the percentage of the value of the approved limit granted to the Merchant by NuPay.
- 4.1.3 A default minimum of 10% will be applied but can be higher depending on the Merchant's risk management category.
- 4.1.4 The amount of the risk management fund retained will be communicated with the Merchant by means of a notification letter.

##### **4.2 Risk management funds retained by NuPay, if any, shall be retained for a minimum period of 4 (four) months after the expiry or termination of the Agreement, after which period the funds will be released to the Merchant.**

##### **4.3 NuPay may in its sole discretion allocate a risk management category to any Merchant during the vetting process. NuPay may, in its sole discretion, vary the risk management category allocated to the Merchant based on performance history of the Merchant of its Transactions.**

#### **5. FEES APPLICABLE TO SERVICES**

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 5.1 Annexure A of the Services Agreement; and / or
- 5.2 Annexure D (if selected); and
- 5.3 the TPF fee schedule 7M (if selected)

#### **6. DEBIT ORDER ABUSE**

##### **6.1 Mandatory Mandate Requirements:**

- 6.1.1 Mandates are required for all MPS & DebiCheck Transactions.
- 6.1.2 Before the Merchant can collect a payment instruction, a Consumer must issue the Merchant with a Mandate, authorizing it to collect a payment instruction against his account.
- 6.1.3 A "Mandate" is a document which contains specific information pertaining to the Merchant, including the relevant debit order details and Consumer details. The Mandate may form part of the credit agreement, however is still required to contain all the relevant information as requested by PASA.
- 6.1.4 The following elements will be required on each Mandate to constitute a valued payment mandate:
  - 6.1.4.1 Abbreviated Name of the Merchant (as it will appear on the Consumer's bank statement);
  - 6.1.4.2 Name of the Merchant;
  - 6.1.4.3 Deduction Amount (Instalment Amount);
  - 6.1.4.4 Deduction Date (Original Instalment Date);
  - 6.1.4.5 Initials and Surname of the Customer/acountholder;
  - 6.1.4.6 Banking Details of the Customer/acountholder.

6.1.5 In addition to the above, explicit authority must be given by the accountholder to the Merchant to process the debit order.

6.1.6 To ensure that Merchants remain compliant with the requirements set forth, a compliance monitoring process has been defined to prevent the abuse of debit orders. The details are laid out below.

##### **6.2 Debit Order Abuse Investigation:**

6.2.1 The following triggers will result in an investigation into the conduct of the Merchant to determine whether there is evidence of

debit order abuse:

- 6.2.1.1 Dispute Ratio – The set thresholds in the EFT Payment Clearing Rules for disputes is set at 0.5% of total Transactions submitted. If the Merchant exceeds this threshold it will be triggered for investigation.
- 6.2.1.2 Complaints – Any complaint raised against the Merchant for possible debit order abuse will result in investigation;
- 6.2.1.3 Site Visit Observation – Upon site visits performed by NuPay Relationship Consultants where it is observed that possible debit order abuse might be present;
- 6.2.1.4 Upon Instruction of any Regulatory Body such as PASA, National Payments System, Financial Services Board it will result in investigation.

6.2.2 Should the Merchant be identified for investigation, the Merchant will be required to supply signed Mandates for randomly selected Transactions. If the Merchant utilises voice Mandates it must reduce such Mandates to paper Mandates within 21 business days, to qualify as valid Mandates.

### 6.3 Penalties:

- 6.3.1 Financial Penalties: Should it be found that the Merchant has not adhered to the compulsory Mandate requirements, a fine of R1000 will be levied for each transgression (each Mandate). This fine(s) will be billed against the Merchant's bank account;
- 6.3.2 Suspension of NuPay Services: NuPay reserves the right to suspend and cancel the Services;
- 6.3.3 Debit Order Abuse List: Where the Merchant fails to produce valid Mandates, PASA will list the Merchant (including their Directors and Members) on the User Debit Order Abuse List.
- 6.3.4 Whilst the Merchant is on the debit order abuse list, it will not be able to move to any other bank / service provider to process Transactions. To be cleared from the debit order abuse list, the Merchant will have to furnish PASA with proof that all relevant requirements are being adhered to.
- 6.3.5 Should the Merchant fail to rectify its processes and continue to process Transactions in contravention of the above requirements, the Merchant (including its Directors / Members) will be blocked from processing any debits going forward.

## **Schedule 5: NuCard SERVICE**

### 1. NATURE OF NUCARD PRODUCT

- 1.1 NuCard ("**NuCard**") is an electronic facility whereby the Merchant can pass a credit value to a consumer on an electronic card, namely, the NuCard Card (NCC), which is issued with a PIN, and the consumer can use the credit value stored on the NCC for payments at any MasterCard POS pay point, or can withdraw cash from any ATM within the borders of South Africa.
- 1.2 The Merchant shall utilise NuCard in accordance with the Merchant Terms and Conditions in Schedule 6A below and will endeavour to ensure that all Card Users utilise NuCard in accordance with the Card User Terms and Conditions.
- 1.3 Unallocated NCCs have no monetary value and can only be credited and activated by the Merchant using the NuCard Website.
- 1.4 NuCard shall be made available to the Merchant at the Merchant's request from data provided to NuPay by the Merchant by means of the NuCard Website.
- 1.5 NuCard is provided to the Merchant by NuPay at a fee and is meant as an aid to assist in organizing and managing payments to third parties through the issuing of electronic cards and transference of credit to the NCCs.

### 2. USE OF NUCARD PRODUCT

- 2.1 The Merchant undertakes not to load or to re-load value to the NCC which would allow the available balance on the NCC to exceed the sum of R25 000 (twenty thousand rand) at any given time.
- 2.2 NuPay may suspend a NCC at any time to protect NuCard from any abuse or suspected fraud.
- 2.3 The right to access and use the NuCard Website and NuCard is personal to the Merchant and is not transferable by the Merchant to any other person or entity.
- 2.4 NuCard profile funding is governed by strict rules as set out by payment solutions companies such as MasterCard and NuPay's sponsoring banks such as the Standard Bank of South Africa.
- 2.5 Such rules dictate that the NuCard profile can only be funded by a Merchant using an electronic channel such as electronic funds transfer via internet banking and that no cash deposits will be allowed.
- 2.6 In the event that a Merchant does make a cash deposit in breach of such rules, NuPay will notify the Merchant in writing of such transgression and that NuPay reserves the right to cancel the NuCard Service with immediate effect and without further notice to the Merchant.
- 2.7 The Merchant shall have no claim against NuPay, howsoever arising and from whatsoever cause, as a result of the cancellation referred to in clause 2.6 above.

### 3. ONLINE PROFILE ALERTS

- 3.1 NuPay will provide the Merchant with automatic profile alerts.

- 3.2 Alerts may be sent to the Merchant following certain changes made online to the Merchant NuPay profile, such as a change in the Registration Information.
- 3.3 Profile alerts will be turned on by default as part of NuCard. Future profile alerts may be customized, deactivated or reactivated by the Merchant when the options become available.
- 3.4 Electronic profile alerts will be sent to the email address, which has been provided by the Merchant to NuPay as the primary email address. If the Merchant's email address or mobile number changes, the Merchant is responsible for notifying NuPay of such changes. Changes to the Merchant's email address or mobile number will apply to all of the Merchant's profile alerts.
- 3.5 Profile alerts are not encrypted. The Merchant's password will never be included in any profile alert. Profile alerts may include the Merchant's NuCard Website Login ID and some information about the Merchant's accounts. Anyone with access to the Merchant's email will be able to view the content of these alerts.

#### 4. ACCESS AND INTERFERENCE

- 4.1 The Merchant is only entitled to access and use the NuCard Website for lawful purposes.
- 4.2 The Merchant agrees not to:
  - 4.2.1 use any robot, scraper, deep link or other similar automated data gathering or extraction tools, program, algorithm or methodology to access, acquire copy or monitor the NuCard Website or any portion of the NuCard Website without NuPay's express written consent, which may be withheld in NuPay's sole discretion;
  - 4.2.2 use or attempt to use any engine, software, tool, agent, or other device or mechanism (including without limitation browsers, spiders, robots, avatars or intelligent agents) to navigate or search the NuCard Website other than the search engines and search agents available through NuCard and other than generally available third- party web browsers (such as Microsoft Explorer);
  - 4.2.3 post or transmit any file which contains viruses, worms, Trojan horses or any other contaminating or destructive features, or that otherwise interfere with the proper working of the NuCard Website or NuCard; or
  - 4.2.4 attempt to decipher, decompile, disassemble, or reverse- engineer any of the software comprising or in any way making up a part of the NuCard Website or NuCard.

#### 5. FEES APPLICABLE TO SERVICES AND PRICING APPLICABLE TO NUCARD PRODUCTS

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 5.1 Annexure A of the Services Agreement; and / or
- 5.2 Annexure D (if selected);

#### 6. FEES APPLICABLE TO NUCARD CO-BRANDING AND PRICING

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 6.1 Annexure A of the Services Agreement; and / or
- 6.2 Annexure D (if selected); and

Pricing for co-branded cards are on a quotation basis.

#### 7. CO-BRANDING PRICING TERMS & CONDITIONS

The following is a guide price and can change without notice; prices are to be used as a guide only and will be confirmed by written quotation. All prices are excluding VAT.

- 7.1 Trademark search
  - 7.1.1 A once-off fee will be charged for each item searched on the designed NCC, which charge will be invoiced on the date when the co-branded design is approved.
  - 7.1.2 Each item on the NCC will be searched against Class 9 and Class 36 to confirm any trademark infringements.
  - 7.1.3 If any item has been registered by the Merchant, proof of registration, officially endorsed by reputable law firm, can be supplied to avoid this fee.
  - 7.1.4 This fee is non-negotiable and payable regardless of whether the NCC co-brand is approved
- 7.2 Base NCC storage fee
  - 7.2.1 The base NCC storage fee is only applicable to base NCCs not utilized in our storage facility.
  - 7.2.2 This will be invoiced to the Merchant when the NCCs arrive at our storage facility.
  - 7.2.3 When a personalization request is submitted, the storage fee will be refunded.
  - 7.2.4 Upon cancellation of the NCC co-brand, any unused NCCs at the storage facility will be destroyed and the storage fee will not be refunded.
- 7.3 Card carrier fee
  - 7.3.1 A NCC carrier will be designed free of charge.
  - 7.3.2 This will be done on final signoff of card design.
  - 7.3.3 This will be invoiced to the Merchant when the carriers arrive at our storage facility.

74. Envelope fee

74.1. This will be invoiced to the Merchant when the envelopes arrive at our storage facility.

8. CO-BRANDING PROCESS TERMS & CONDITIONS

81. NuCard Card design

81.1. NuPay can supply examples of co-branded NCC designs using the companies branding materials (including, logos and letterheads).

81.2. NuPay can also supply the company with co- branded NCC design specifications if the company prefers to do its own co-branded NCCdesign.

81.3. Final colour proof of the co-branded NCC design must be signed off by the company before submission for approval and before manufacturing will start.

81.4. Final co-branded NCC design proof must be accompanied with the signed co-branding application as well as the required base card order form.

81.5. The co-branded NCC design process will take approximately 4 (four) weeks from date of submission to MasterCard.

82. Manufacturing

82.1. On receipt of final co-branded NCCs, signed proof and confirmed card quantities, the base co-branded NCC manufacturing process will start and take approximately 4 (four) weeks to complete.

82.2. Manufacturing is done outside South Africa.

82.3. Base co-branded NCCs will be delivered to NuPay's preferred storage facility.

82.4. For quantities below 5000 (five thousand), the branding fee will be invoiced to the Merchant before order is placed, upon delivery of the base co- branded NCC to NuPay's preferred storage facility, the co-branded NCCs will be personalised.

82.5. The Merchant will be required to prefund the Merchant's profile with sufficient funds to cover the cost of the standard card fee.

82.6. Once profile is funded, the Merchant will be required to place an order for the desired quantity of co- branded NCCs to be personalised.

83. Personalisation

83.1. On receipt of the base co-branded NCC and confirmation of the quantity of co-branded NCCs to be personalised, the personalisation process will start and take approximately 4 (four) weeks to complete.

83.2. Personalisation includes:

8.3.2.1. Printing the card number, expiry date and CVV number on the base co-branded NCC.

8.3.2.2. Printing the PIN on the NCC carrier or PIN mailer.

8.3.2.3. Writing the card data to the magnetic strip of the base NCC.

8.3.2.4. Attaching the NCC to the NCC carrier or Pin mailer.

8.3.2.5. Inserting the NCC and NCC carrier or Pin mailer into an envelope.

83.3. All co-branded NCCs will be delivered to the profile owner's preferred location.

83.4. Profile owners are responsible for all co-branded NCCs and all such cards must be stored in a secure location.

83.5. If the Merchant chooses to design and supply his own NCC carrier, the NCC carriers must be supplied before personalisation can commence.

83.6. NuPay will not be responsible for any loss or damage to personalisedNCCs.

83.7. All quantities not personalised and stored at NuPay's preferred storage facility will incur a refundable storage fee. This fee will be refunded when the co-branded NCCs are personalised.

84. General Terms and Conditions

84.1. NuPay reserves the right to charge for branding fees if the proposed co-branded NCC layout has graphical complexities. A written quotation will be provided.

84.2. An invoice will be issued on acceptance and sign- off by all parties concerned.

84.3. All co-branding is dependent on MasterCard approval.

84.4. All co-branding applications will take approximately 10 (ten) to 12 (twelve) weeks to complete.

84.5. Co-branding will commence on receipt of payment.

9. MERCHANT TERMS AND CONDITIONS (NUCARD)

9.1 Important points to remember

9.1.1. At all times the NuCard Merchant enjoys the following

- The benefit of a simple payment solution that will replace conventional cash payments.
- Reduced risk as the NuCard Merchant does not need to collect or hold cash on his/her premises.
- The NuCard Merchant can load and reload funds onto the Cards using our simple web interface at any anytime.
- The NuCard Merchant can order Cards online using the web interface.
- Cards can be hand delivered or couriered to the NuCard Merchant premises for a fee.
- Cards will be inactive and cannot be used until activated by the NuCard Merchant using the web interface, further reducing the NuCard Merchant risk.
- The NuCard Merchant will be charged a load/reload fee

- 9.1.2. For the NuCard Merchant protection
- The NuCard Merchant can order/purchase, load and reload Cards via a secure web interface. The NuCard Merchant will be authenticated with a username and password.
  - The NuCard Merchant is responsible for safeguarding his/her username and password.
  - The NuCard Merchant must agree to these terms and conditions prior to ordering Cards. It is important to read and understand the terms and conditions before ordering or issuing Cards.
  - Cards delivered to the NuCard Merchant have no monetary value.
  - Cards will need to be allocated by the NuCard Merchant using the secure web interface before funds can be loaded onto the Card.
- 9.2 By agreeing to these terms and conditions you become the NuCard Merchant.
- 9.3 Whenever reference is made in these terms and conditions to “us”, “we” or “our”, that means The Standard Bank of South Africa Limited (“Standard Bank”), Tutuka Software (Proprietary) Limited (“Tutuka”) and NuPay, a division of Altron TMT (Pty) Ltd (“NuPay”). Further, in these terms and conditions, “Card” will refer to a NuCard Card issued by the Merchant in respect of the NuCard Product.
- 9.4 Introduction
- 9.4.1 These terms and conditions are applicable to all NuCard Merchants of a reloadable prepaid Card issued with a PIN.
- 9.4.2 Subject to clause 3 above, the Card will be activated with a rand amount as determined by the provider of the Prepaid Card (“NuCard Merchant”).
- 9.4.3 The Card may be reloaded by the NuCard Merchant at any time before the expiry of the Card, subject to clause 3 above.
- 9.4.4 The Card will be closed on the expiry date and the value remaining in the Card, if any; will be at the discretion of the NuCard Merchant.
- 9.4.5 Balance enquiries can only be made by calling Tutuka on 083 918 770. These can be made 24 hours a day, or by visiting [www.whatsonmycard.com](http://www.whatsonmycard.com) or SMS’ing your Card number to 35453. Standard cell rates apply. SMS costs R2.
- 9.4.6 We may change these terms and conditions without giving the NuCard Merchant notice.
- 9.4.7 The NuCard Merchant may not change these terms and conditions.
- 9.5 The card
- 9.5.1 Each Card will have an expiry date printed on the front of it and is valid until the last day of the month shown, unless your Card is closed.
- 9.5.2 Only the person whose signature is on the Card (Card User) will be able to use it.
- 9.5.3 The Card can be used by the Card User to make ATM Transactions. All withdrawals at ATMs will be charged for and are payable by the Card User and will be charged to the balance on the Card.
- 9.5.4 The Card can be used to purchase goods and services at merchants who accept MasterCards. All POS Transactions will be charged for and are payable by the Card User and will be charged to the balance on the Card.
- 9.5.5 The Card can be used for POS purchases with cash-back (a cash withdrawal) at POS when you make a purchase. The Card User will not be able to request cash-back without making a purchase. All POS purchases with cash-back Transactions will be charged for and are payable by the Card User and will be charged to the balance on the Card.
- 9.5.6 The Card User is to sign the Card in ink as soon as it is received in the space provided on the back of the Card.
- 9.5.7 The Card can only be used in the Republic of South Africa
- 9.5.8 Each Card User will be issued with a PIN together with the Card. The Card User must either memorise the PIN or keep any record of it in a safe place separate from the Card. The Card User is not to tell anyone else what their PIN is.
- 9.5.9 The Card must be cut in half after the expiry date.
- 9.5.10 The Card User will not be sent any correspondence or statements.
- 9.5.11 We will always be the owner of the Card.
- 9.5.12 The Card User is responsible for the safety of their Card. Should the Card be damaged, lost or copied, we will not be liable.
- 9.6 Deposits
- 9.6.1. The Card will be loaded with a rand value, by the NuCard Merchant.
- 9.6.2. The Card may be reloaded by the NuCard Merchant with a maximum value R10 000-00 (ten thousand) per load, provided that the balance available on the Card never exceeds the sum of R10 000-00 (ten thousand rand) at any given time.
- 9.7 Card Purchases and Payments by NuCard Merchants As a NuCard Merchant the following applies:
- 9.7.1 The NuCard Merchant will be able to order and pay for Cards online through our secure web interface.
- 9.7.2 The Card must be ordered through the secure web interface at least 5 (five) business days before the date that the Card is to be delivered.
- 9.7.3 The NuCard Merchant can choose to have the Cards delivered to his/her premises. Please note there will be delivery fee charged to the NuCard Merchant.
- 9.7.4 When the NuCard Merchant receives the Cards ordered, the NuCard Merchant will have to enter the details of the Card User against each Card ordered.
- 9.7.5 The NuCard Merchant may only load value onto a Card, provided that the NuCard Merchant’s NuCard profile has an available balance.
- 9.7.6 Please communicate with and assist Card Users in terms of Card usage and rules as stipulated in this schedule 6.
- 9.8 Goods purchases and cash withdrawals by card users as a Card User the following apply:
- 9.8.1 The Card User may use his/her Card to pay for goods and services at merchants who accept MasterCards. The Card User may also



request cash-back (a cash withdrawal) at a POS when making a purchase. The Card User will not be able to request cash-back without making a purchase. The Card User will not be able to use the Card to purchase goods or services over the telephone or Internet, pay for toll fees or pay for parking using self-service terminals.

- 9.8.2 The Card User may use his/her Card to make cash withdrawals at ATMs within the borders of South Africa.
  - 9.8.3 The Card User will be required to insert his/her PIN when making a POS purchase or ATM cash withdrawal.
  - 9.8.4 Should the Card User enter his/her PIN incorrectly on 3 (three) consecutive occasions at the Terminal, all further Transactions will be denied and the Card will be blocked and the Card User will need to get another Card from the NuCard Merchant.
  - 9.8.5 All Transactions requested by the Card User will be processed against the Card User's available Card balance until the value on the Card has been depleted.
  - 9.8.6 All Transactions will be authorised by us against the available funds on the Card User's Card.
  - 9.8.7 Merchants are responsible for Transactions and are independent of the NuCard Merchant, Tutuka, Standard Bank and NuPay. The NuCard Merchant, Tutuka, Standard Bank and NuPay are not liable if the merchant does not accept the Card User's Card or if the Card User has complaints about goods or services paid for with his/her Card.
  - 9.8.8 We are not responsible for any loss arising from any failure, malfunction of electronic facilities or delay in POS devices, or our supporting or shared networks, where applicable, resulting from circumstances beyond our reasonable control.
  - 9.8.9 No warranties, purchase protection, insurance, other promises or services are provided.
  - 9.8.10 Once the Card User has paid for a purchase, the Card User cannot stop or reverse payment of the Transaction.
  - 9.8.11 The Card User is responsible for keeping track of the Transactions on his/her Card.
- 9.9 Fees and interest
- 9.9.1 The NuCard Merchant will be charged for each Card purchased
  - 9.9.2 The NuCard Merchant will be charged per Card for each load and reload
  - 9.9.3 The NuCard Merchant will not be paid any interest on funds.
- 9.10 Closing the card
- 9.10.1 The Card will be closed when it expires.
  - 9.10.2 We may choose to revoke any Card at any time to protect our interests.
- 9.11 Lost or stolen cards
- 9.11.1 The Card User is responsible for the safekeeping of his/her Card and PIN. The Card is the same as having cash in hand. If the Card is lost or stolen or used by someone else, the Card User may lose all funds in his/her Card.
  - 9.11.2 The Card User must notify us if the Card has become lost or stolen or if the PIN has become known to any other person. We will stop the Card as soon as reasonably possible after being advised.
  - 9.11.3 The Card User will be responsible for all Transactions made with the Card before we stopped the Card in terms of this schedule 6.

## 10. FEES APPLICABLE TO SERVICES

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 10.1 Annexure A of the Services Agreement; and / or
- 10.2 Annexure D (if selected); and

## **Schedule 6: POS NON-AGGREGATED / INDEPENDENT SERVICE OPERATOR (ISO) SERVICE**

### 1. INTRODUCTION

The Merchant agrees to accept certain Cards as a form of payment on the terms and conditions of this Agreement and the POS - Merchant Agreement.

### 2. NATURE OF POS PRODUCT

The POS product enables a merchant to process real-time debit and credit card transactions through a NuPay approved terminal. This Schedule forms part of the Agreement and will serve as a summary of the Merchant's intention for cards to be accepted at all the Merchant's outlets and American Express and Diners will be available through the POS service. These services must be enabled by contacting and signing up with the acquiring bank directly. All amounts referred to in the Schedule of available services and merchant fees payable above shall be exclusive of VAT.

### 3. FEES APPLICABLE TO SERVICES

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 3.1 Annexure A of the Services Agreement; and / or
- 3.2 Annexure D (if selected).

## **Schedule 7: Transaction Processing Fee**

### 1. INTRODUCTION

In addition to the NuPay General Terms and Conditions the Credit Provider herewith also enters into and shall abide by this agreement which governs the collection of:

- 1.1 payments due to the Credit Provider from the consumer in terms of the credit agreement; and
- 1.2 the Transaction Processing Fee due to NuPay in terms of this Schedule.

### 2. TRANSACTION PROCESSING FEE

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 2.1 Annexure A of the Services Agreement; and / or
- 2.2 Annexure D (if selected);

3. The Credit Provider hereby authorises NuPay to submit payment instructions for collection to the Credit Provider's bank and the Credit Provider hereby authorises its bank to debit its nominated account with the amounts due in terms of this agreement as described in the Company Resolution.

## **Schedule 8: E-COMMERCE SERVICE**

### 1. INTRODUCTION

The Merchant agrees to accept certain Cards as a form of payment on the terms and conditions of this Agreement and the E-Commerce- Merchant Agreement.

### 2. NATURE OF E-commerce PRODUCT

The e-Commerce product enables a merchant to trade using their own electronic commerce website by integrating into the NuPay Portal.

The NuPay e-Commerce product is a payment portal that is:

- Embedded in a merchant's own e-Commerce website.
- Enables a customer to submit a real-time credit card payment for goods

### 3. USE OF E-commerce PRODUCT

The Merchant undertakes to make use of the e-commerce portal in accordance to the NuPay E-commerce Business & Technical Specification Document and the NuPay Test Gateway User Guide published from time to time.

### 4. NET SETTLEMENT AND CHARGEBACK RECOVERY PROCESS

4.1 All Transactions processed successfully will be settled on the following basis:

411. funds due to the Merchant will be Net Settled to the Merchant's nominated account as per the User Manual.
412. NuPay reserves the right to retain a Risk Security Balance in the event that Chargebacks in a period exceeding 1% (one per cent) of the values processed.
413. The Risk Security Balance will be at least 1% (one per cent) of the average monthly electronic Transactions processed plus the value of all Chargebacks received in the preceding month. The Risk Security Balance will be reviewed monthly by NuPay, in its sole and absolute discretion.
414. Chargeback recoveries will be offset against the day's Settlement first. Should the day's Settlement be insufficient to cover the value of the Chargeback, a debit order will be raised against the Merchant's nominated bank account for such outstanding amount.

4.2 The Risk Security Balance held by NuPay in the last month of this Agreement will be retained for 180 (one hundred and eighty) days after termination of this Agreement to cover Chargebacks processed after termination of the Agreement. Should the Chargebacks exceed the risk security balance held by NuPay, a debit order will be raised against the Merchant's nominated bank account for such outstanding amount. Any balance remaining after 180 (one hundred and eighty) days will be paid into the Merchant's nominated account.

### 5. FEES APPLICABLE TO SERVICES

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 5.1 Annexure A of the Services Agreement; ; and / or
- 5.2 Annexure D (if selected).

## **Schedule 9: BATCHLINK SERVICE**

### **1. NATURE OF NON-AUTHENTICATED**

- 1.1 Non-authenticated comprises a service in terms of which NuPay acts as a Transaction service provider to the Merchant in order to enable the Merchant to process Transactions through the South African banking industry in respect of the following types of Transactions:
  - 1.1.1 MPS debits, comprising the collection of amounts owed to the Merchant by third parties or payable to the Merchant for any reason or cause whatsoever; and
- 1.2 Transaction Instructions shall be provided by the Merchant by means of Bulk Import File in the format prescribed by NuPay, the NuPay website, or a spreadsheet for the purposes of capturing and electronically transmitting such instructions to NuPay.

### **2. FEES APPLICABLE TO SERVICES**

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 2.1 Annexure A of the Services Agreement; ; and / or
- 2.2 Annexure D (if selected).

## **Schedule 10: Account Verification Service (AVS)**

### **1. AVS DEFINED**

- 1.1 Although AVS is a real-time verification system, it uses a polling system which depending on volume there still can be a delay.
- 1.2 NuPay is dependent on the various banks to respond on the verification request and NuPay cannot guarantee real-time responses.

### **2. PROTECTION OF PERSONAL INFORMATION (POPI)ACT**

- 2.1 It is the responsibility of the merchant to get consent from the consumer before performing any account verifications.
- 2.2 The consumer consent for the account verification services must be specific to the following fields: Account Number, Account Type, Bank, consumer Name, Initials, ID Number, Account Accepts Debits, Account Accepts Credits, Account has been open for longer than 3 months.
- 2.3 In the event of any consumer claim against the merchant for any violation of non-consent, the merchant hereby indemnifies NuPay against POPI related claims from consumers.
- 2.4 All verification data will be stored will be destroyed after 5 years, the consumer can consent to NuPay storing the verified detail for a longer period.

### **3. FEES APPLICABLE TO SERVICES**

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 3.1 Annexure A of the Services Agreement; and / or
- 3.2 Annexure D (if selected).

## **Schedule 11: DebiCheck**

### **1. NATURE AND PROCESS OF DEBICHECK**

- 1.1 The Merchant must obtain a written mandate from the payer authorising the Merchant to debit the payer's bank account and the Merchant shall immediately provide NuPay, on request, with copies of all such mandates.
- 1.2 Payment instruction shall be provided by the Merchant by means of one of the defined transaction types as described in clause 2 of this Schedule in the format prescribed by NuPay, the NuPay website, or in a spreadsheet for the purposes of capturing and electronically transmitting such instructions to NuPay in the format prescribed by NuPay.
- 1.3 The Payment Instruction will be sent to the issuing bank by NuPay from the acquiring bank, who will initiate a mandate authorisation request to the Card Holder using their preferred channel.
- 1.4 The Card Holder will then have an opportunity to accept or decline the mandate request. Once accepted, the debit order mandate will be stored in the mandate database of the issuing bank and a response will be sent to the Merchant via NuPay.
- 1.5 NuPay undertakes to submit the payment instruction in accordance with the terms and conditions of the debit order mandate as appears from the Payment Instruction.
- 1.6 NuPay undertakes to pay over to the Merchant, subject to clauses 2.1 of this Schedule and 29.1.1 of the Services Agreement, funds successfully debited by NuPay from the customer of the Merchant's account, as described in clause 2 of this Schedule.
- 1.7 The Merchant undertakes to pay over to NuPay those funds debited from the NuPay account as a result of customer disputes, as described in clause 3 of this Schedule.

### **2. TRANSACTION TYPE (TT)**

- 2.1 The transaction type is defined as the method how the debit order mandate will be authenticated, The transaction types are defined as:

- 2.1.1. TT1 = Realtime and Delayed
  - 2.1.1.1. Realtime = This transaction type requires the Payer to authorize the future debit order initiated by a Merchant. The request will be sent in Realtime and the Payer has 120 seconds to approve or decline the debit order mandate.
  - 2.1.1.2. Delayed = This transaction type requires the Payer to authorize the future debit order initiated by a Merchant. The request will be sent in Realtime and the Payer has up to the end of the business day to approve or decline the debit order mandate.
- 2.1.2. TT2 = This transaction type requires the Payer to authorize the future debit order initiated by a Merchant. The request will be sent on the next business day after NuPay has submitted the request to the issuing bank and the Payer has 24 Hours to approve or decline the debit order mandate.
- 2.1.3. TT3 = This transaction type requires the Payer to authorize the future debit order initiated by a Merchant. The mandate will be authorized through an initial Card and PIN mechanism, where the Payer is typically face-to-face with the Merchant (card present) and a card accepting-device is utilised. The process of authorising the mandate needs to be completed in real time.

### 3. DISPUTE RULES

- 3.1. In accordance with the processing rules of DebiCheck, a debit order will only be non-reversible if the debit order was processed in accordance with the details registered in the mandate register at the Paying (issuing) Bank.
- 3.2. The requirements for a Dispute Request are:
  - 3.2.1. the Paying Bank must verify the identity of the Payer; and
  - 3.2.2. the Payer must identify the successful Payment Instruction in dispute; and
  - 3.2.3. the Payer must complete a dispute template.
- 3.3. A Dispute Request will qualify as a Dispute Action if the:
  - 3.3.1. Dispute Request is made within 12 months from the date the Payment Instruction is successful; and
  - 3.3.2. Action Date in the Payment Instruction does not match the day for collection as contained in the Mandate Register (except where the Action Date is a Business Day, in which event it shall be the next Business Day); or
  - 3.3.3. Amount collected per the Payment Instruction is greater than the Instalment Amount in the Mandate Register.
- 3.4. If a Dispute Request does not qualify as a Dispute Action, the Paying Bank will provide the Payer with the Ultimate Creditor's contact details, to enable the Payer to contact the Ultimate Creditor, subject to Client Confidentiality.
- 3.5. If the Dispute Request does not qualify as a Dispute Action, the Paying Bank will not get involved with the resolution of the dispute between the Payer and the Ultimate Creditor.
- 3.6. The Dispute Action must be processed within a maximum of two Business Days for the full amount in dispute.
- 3.7. The Paying Bank must send a message to the Acquiring Bank advising it of the Dispute Action.

### 4. FRAUD

- 4.1 It remains the right of the Payer to report fraud at the Paying Bank.
- 4.2 The Paying Bank will deal with the alleged fraud in terms of their internal procedures and, if an act of Fraud is confirmed, will engage with the Acquiring Bank to obtain a refund for the Payer.

### 5. DISBURSEMENT CYCLE

- 5.1 The Disbursement Cycle is set out in the User Manual (available at [www.nupay.co.za](http://www.nupay.co.za)) and/or the Limit Notification Letter.
- 5.2 The Disbursement value will be the net value, which should take into account all successfully debited amounts, less all disputed (reversed) amounts, less a risk management fund value (if any) less unpaid fees and tariffs (if any) as attributable to the Disbursement Cycle.

### 6. RISK MANAGEMENT FUND

- 6.1 Upon the Merchant signing up with NuPay:
  - 6.1.1 NuPay may, in its sole discretion, retain a percentage of the value of Transactions processed for risk management reasons.
  - 6.1.2 The risk management fund is calculated based on the percentage of the value of the approved limit granted to the Merchant by NuPay.
  - 6.1.3 A default minimum of 10% will be applied but can be higher depending on the Merchant's risk management category.
  - 6.1.4 The amount of the risk management fund retained will be communicated with the Merchant by means of a notification letter.
- 6.2 Risk management funds retained by NuPay, if any, shall be retained for a minimum period of 4 (four) months after the expiry or termination of the Agreement, after which period the funds will be released to the Merchant.
- 6.3 The NuPay vetting committee may in its sole discretion allocate a risk management category to any Merchant during the vetting process. NuPay may, in its sole discretion, vary the risk management category allocated to the Merchant based on performance history of the Merchant of its Transactions.

### 7. FINANCIAL TRANSACTIONS TO AND FROM THE USER'S ACCOUNT

- 7.1 NuPay shall credit the Merchant's account with the Disbursement value calculated after each Disbursement Cycle.

- 7.2 NuPay shall debit the Merchant's bank account with:
- 7.2.1 fees and tariffs, due or in arrears;
  - 7.2.2 the value of disputed Transactions as raised by the Payer with the Bank, should this exceed the value of successfully debited Transactions in the Disbursement Cycle. In such instance, the Merchant shall be responsible for resolving the disputes with the Payer (the customer) and NuPay shall not be a party to such dispute;
  - 7.2.3 any overpayments due to clerical or electronic errors by either party;
  - 7.2.4 fees or penalty fees charged by the Acquiring Bank for disputes relating to the Merchant's customers;
  - 7.2.5 interest at Prime Rate on arrear payments due and unrecovered.
- 7.3 The values referred to in clauses 7.2.4 and 7.2.5 of this Schedule shall be subject to exchange rate variations where applicable.
- 7.4 NuPay reserves the right to enforce clause 28 (suspension) of the Agreement, if any debit referred to in this Agreement is returned unpaid by the Merchant's Bank.

**Please take note of the following rules regarding settlement for the approved product type:**

- The settlement will be best effort.
- Settlement will occur based on the frequency agreed upon signup.
  - Weekly settlement will occur 7 days after processing.
  - Next day Settlement will occur the day after processing.
  - Monthly settlement will occur at month end.
- Success value collected will be Net Settled less unpaid, disputed transactions and / or retainer (where applicable).

**RETAINER:**

- Retainers are a percentage of the monthly limit that is allocated to the product and determined by the vetting committee.
- Retainers will be deducted from the first settlement made on the product and will be held for the duration of the product usage. Once the product is uninstalled, the retainer will remain with NuPay for a period of 90 days after uninstall and will then be settled to the Merchant account.
- The retainer percentage is based on the failed and dispute ratio and may be adjusted according to the Merchant's profile.
- Should failed/disputed values be more than successful values, the retainer is used to provide funds to recover against.
- Should the Merchant account balance be negative and the retainer not be sufficient to cover the negative balance, NuPay reserves the right to collect the negative value from the Merchant's nominated bank account as per the company resolution.
- Should SASSA fall on the last weekend (Friday/Saturday) of the month, a retainer will be allocated to all the weekly settled Merchants. This retainer will be settled on the Monday after all disputes/failed transactions have been accounted for.
- Any outstanding fees due to NuPay as defined in the Service Agreement, General Terms and Conditions and this Specific Product Terms Schedule can be recovered against settlements.

**8. FEES APPLICABLE TO SERVICES**

NuPay will be entitled to charge fees for the Service(s) provided by NuPay to the Merchant as set out in:

- 8.1 Annexure A of the Services Agreement; and
- 8.2 Annexure B or C (if selected on Annexure A); and
- 8.3 Annexure D (if selected); and
- 8.4 the TPF fee schedule 7M (if selected).

**9. DEBIT ORDER ABUSE**

**9.1 Mandatory Mandate Requirements:**

- 9.1.1 Mandates are required for all MPS Transactions.
- 9.1.2 Before the Merchant can collect a payment instruction, a Consumer must issue the Merchant with a Mandate, authorizing it to collect a payment instruction against his account.
- 9.1.3 A "Mandate" is a document which contains specific information pertaining to the Merchant, including the relevant debit order details and Consumer details. The Mandate may form part of the credit agreement however, is still required to contain all the relevant information as requested by PASA.
- 9.1.4 The following elements will be required on each Mandate to constitute a valued payment mandate:
  - 9.1.4.1 Abbreviated Name of the Merchant (as it will appear on the Consumer's bank statement);
  - 9.1.4.2 Name of the Merchant;
  - 9.1.4.3 Deduction Amount (Instalment Amount);
  - 9.1.4.4 Deduction Date (Original Instalment Date);
  - 9.1.4.5 Initials and Surname of the Customer/accontholder;

9.1.4.6 Banking Details of the Customer/accountholder.

9.1.5 In addition to the above, explicit authority must be given by the accountholder to the Merchant to process the debit order.

9.1.6 To ensure that Merchants remain compliant with the requirements set forth, a compliance monitoring process has been defined to prevent the abuse of debit orders. The details are laid out below.

9.2 Debit Order Abuse Investigation:

9.2.1 The following triggers will result in an investigation into the conduct of the Merchant to determine whether there is evidence of debit order abuse:

- 9.2.1.1 Dispute Ratio – The set thresholds in the EFT Payment Clearing Rules for disputes is set at 0.5% of total Transactions submitted. If the Merchant exceeds this threshold it will be triggered for investigation.
- 9.2.1.2 Complaints – Any complaint raised against the Merchant for possible debit order abuse will result in investigation;
- 9.2.1.3 Site Visit Observation – Upon site visits performed by NuPay Relationship Consultants where it is observed that possible debit order abuse might be present;
- 9.2.1.4 Upon Instruction of any Regulatory Body such as PASA, National Payments System or the Financial Sector Conduct Authority, will result in investigation.

9.2.2 Should the Merchant be identified for investigation, the Merchant will be required to supply signed Mandates for randomly selected Transactions. If the Merchant utilises voice Mandates it must reduce such Mandates to paper Mandates within 21 business days, to qualify as valid Mandates.

9.3 Penalties:

- 9.3.1 Financial Penalties: Should it be found that the Merchant has not adhered to the compulsory Mandate requirements, a fine of R1000 will be levied for each transgression (each Mandate). This fine(s) will be billed against the Merchant's bank account;
- 9.3.2 Suspension of NuPay Services: NuPay reserves the right to suspend and cancel the Services;
- 9.3.3 Debit Order Abuse List: Where the Merchant fails to produce valid Mandates, PASA will list the Merchant (including their Directors and Members) on the User Debit Order Abuse List.
- 9.3.4 Whilst the Merchant is on the debit order abuse list, it will not be able to move to any other bank / service provider to process Transactions. To be cleared from the debit order abuse list, the Merchant will have to furnish PASA with proof that all relevant requirements are being adhered to.
- 9.3.5 Should the Merchant fail to rectify its processes and continue to process Transactions in contravention of the above requirements, the Merchant (including its Directors / Members) will be blocked from processing any debits going forward.

9.4 The Nature and Process of RMS

9.4.1 The Registered Mandate Services ("RMS") provides the Merchant the ability to re-submit a Mandate which has failed due to a timeout or expired status. The initial Mandate request sends a request to in which the Consumer has 120 seconds to approve the Mandate. If the Mandate request is not delivered or there is a communication break or time out, the status of "NRSP" is returned. Please note only Transactions linked to this status can be submitted through the RMS service.

9.5 RMS Processing Rules and Validations:

9.5.1 An RMS request can only be submitted from an already submitted and failed DebiCheck transaction.

9.5.2 Only the following DebiCheck Transaction types can be re-submitted through the RMS service:

- 9.5.2.1 TT1 Real time,
- 9.5.2.2 TT1 Delayed or
- 9.5.2.3 TT2 Delayed.

9.5.3 An RMS cannot be done on a TT3 transaction Type.

9.5.4 The RMS request is sent to the Creditor Bank in batch format (TT2) and the Merchant will only receive confirmation the next day, if the RMS request was initiated before 15:00pm the previous day.

9.5.5 The Merchant only has 10 Business days to re-submit the Mandate from the date of when the no response was initially received.

9.5.6 The RMS request will be sent to the Creditor Bank with the same client reference, date, contract reference, amount and account name. This cannot be changed as the Creditor Bank will validate all fields of the RMS request.

9.5.7 The Merchant will be billed for the original Mandate initiation request and for the RMS request.

9.5.8 RMS Submission process:

- 9.5.8.1 NuPay will send up 2 extracts to the Creditor Bank, daily, one at 10:00am and the other at 15:00pm, i.e. if the Merchant initiated an RMS request at 11:00 am, the Transaction will only be sent up to the Creditor Bank at 15:00pm.
- 9.5.8.2 The Creditor Bank will send a request, the next morning, to the debtor bank (Customer's/Consumer's bank) to accept/approve the Transaction.
- 9.5.8.3 The Consumer will not be required to re-authenticate the RMS transaction.
- 9.5.8.4 The Creditor Bank will send a batch response file back to NuPay, either in the 3:00am, 6:00am or in the 20:00pm file.

- 9.5.8.5 RMS will be processed in line with the NAEDO rules, meaning the Consumer can dispute the Transaction within 40 days
- 9.5.8.6 As with NAEDO transactions, RMS will be processed in the second window.
- 9.5.8.7 If the Merchant needs to amend the details of the Transaction, once the RMS is an active Mandate, will be able to do so by following one of the two scenarios below:
  - 9.5.8.7.1 The Merchant can capture the necessary changes either as a new TT1 or TT2 request and the Customer will receive a request to authenticate the RMS request. This then changes the Transaction from an RMS to an actual DebiCheck transaction.
  - 9.5.8.7.2 The Merchant can use the Instalment Maintenance functionality on the NuPayments website, whereby certain components of the Transaction can be changed, i.e. the instalment date, tracking etc, on an instalment level.
- 9.5.9 Merchants can upload the Transactions either via Webservices or the NuPayments website.
- 9.5.10 The bulk file process cannot be used to upload RMS Transactions.
- 9.5.11 Tracking days will be a maximum of 10 days on a RMS request.