

MERCHANT PROCESSING AGREEMENT – TERMS AND CONDITIONS

OVERVIEW

By signing this Merchant Application Form you (**Merchant/you**) apply to receive and, subject to acceptance of your application (either by the commencement of provision of the services to you or by execution by all parties) and you paying the relevant fees, you agree with **TCM Solutions Limited (TCMS/we/us)** to receive payment processing facilities and services on the terms set out in this Merchant Agreement. This Merchant Agreement is comprised of the Merchant Application Form, privacy statement and consent, the General Terms (including Schedule 1 Operating Procedures) provided to you at the time of signing the Merchant Application Form as amended from time to time, any agreements incorporated by reference (such as the Association Rules) and any Supplemental Agreements entered into between you and us from time to time (together, **Agreement or Merchant Agreement**). The 'Services' and 'Fees' sections in the Merchant Application Form indicate the types of payments and services you have elected to receive. This Agreement is made when the services commence to be provided or when it is signed by us. We reserve the right to reject any Merchant Application Form and will not be required to provide you with a reason for the rejection.

You may elect to receive services in relation to both Credit Card and Debit Card transactions. Please note that Credit Card transactions present risks of loss and non-payment that are different to those with other payment systems. All payments made through card associations (e.g. Visa or MasterCard or CUP or JCB if applicable) are conditional and subject to reversals and adjustments. In particular, cardholders and the banks that issue cardholders' Credit Cards have certain rights to dispute transactions, long after payment has been made to the merchant. These disputed transactions are referred to as 'Chargebacks'. Sometimes your customer may be able to successfully charge back a Credit Card transaction even though you have provided your goods or services and are otherwise legally entitled to payment from your customer. You may still be able to pursue claims directly against that customer, but we are not responsible for such Chargebacks or disputed transactions. Debit Card transactions are also susceptible to reversals for which you will be responsible.

GENERAL TERMS

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GENERAL TERMS

1 EQUIPMENT AND GETTING STARTED

1.1 Site Preparation and Installation

You will at your own cost prepare your site(s) for the Equipment, including installation of any telecommunication lines and power supply circuits needed for a terminal. Each site is governed by the terms of this Agreement as varied in writing from time to time. Additional sites may only be added by agreement and upon the signing of additional documentation agreed between us.

1.2 Own equipment

If your Merchant Application Form indicates that you will supply your own Equipment:

- (a) such Equipment must comply with all regulations, policies and certification procedures specified by us from time to time; and
- (b) you are solely responsible for maintaining, repairing and replacing Equipment, and you indemnify us against any losses, liabilities, damages and expenses arising out of the use of your Equipment.

1.3 Supplied equipment

- (a) If your Merchant Application Form indicates that Equipment will be supplied as part of the Services, then we will provide and maintain such Equipment (**Supplied Equipment**) in accordance with this clause 1.
- (b) We will deliver and install the Supplied Equipment to you at the site designated by you in the Merchant Application Form.
- (c) Any Supplied Equipment remains the personal property of TCMS and will not under any circumstances be considered to be affixed to your premises.

1.4 Use

- (a) You must:
 - (i) ensure that the Supplied Equipment is operated by competent and qualified personnel in accordance with any operating instructions furnished by us or the manufacturer and only for the purposes contemplated by this Agreement;
 - (ii) safeguard the Supplied Equipment from loss, damage, unauthorised use, misuse or theft. You must notify us immediately regarding any damage to or loss of such equipment;
 - (iii) not lease or sublease the Supplied Equipment, or pledge, lend, create a security interest in, directly or indirectly create, incur, assume or allow to exist any other consensually or judicially imposed liens or encumbrances on the Supplied Equipment;
 - (iv) not remove, disconnect, relocate, modify or in any way alter any equipment used in connection with the services we are providing to you without our prior written consent;
 - (v) only use our stationery for processing and banking Card transactions. If you need more stationery you can purchase it by contacting TCMS Customer Care Line;
 - (vi) contact TCMS Customer Care Line if you require additional equipment. There may be additional costs or fees charged to you in connection with any new equipment ordered;
 - (vii) keep the Supplied Equipment adequately insured against loss by fire, theft and all other hazards (comprehensive coverage). Such insurance(s) will name TCMS as owner of the Supplied Equipment, as additional insured and as loss payee. You are responsible for the replacement value of any lost, stolen or damaged Supplied Equipment. The loss, destruction, theft of or damage to the Supplied Equipment shall not relieve you from your obligations under this Agreement.
- (b) We or our respective agents may enter your premises at any time on reasonable notice to install, inspect the condition of, replace or repair the Supplied Equipment and any Software as defined in **Clause 1.6**.

1.5 Maintenance

- (a) If an item of Supplied Equipment appears to be defective, you must immediately call the TCMS POS Help Desk on the number provided from time to time which will be available 24 hours, 7 days a week. We will:
 - (i) provide general support, assistance and advice regarding the technical and operational feature of the Supplied Equipment; and
 - (ii) use best endeavours to identify and rectify faults in the Supplied Equipment including Software via remote access or on-site support and maintenance as may be appropriate (in which case you must allow our representatives at any reasonable time during business hours to enter your premises for the purposes of inspecting, examining or repairing the Equipment).
- (b) In providing maintenance services, we will use best endeavours to meet any response times set out in the Merchant Processing Application Form. You agree to pay the maintenance fees set out in the Merchant Application Form.

1.6 Software Licence

- (a) We own, or have appropriate licences to use and sublicense, all software, computer programs, related documentation, technology, know-how and processes embodied in or provided in connection with the Supplied Equipment (together **Software**).
- (b) You are only granted a non-exclusive licence to use the Software in your operation of the Supplied Equipment for the term of this Agreement. You must not reproduce, communicate, modify or reverse engineer the Software. You must not give any third party access to the Software without our prior written consent. Where we provide maintenance, we consent to you giving our service provider access to the Software.

2 PROCESSING REQUIREMENTS

2.1 Your obligations

- (a) During the term of this Agreement, we will provide you with the Services subject to the terms and conditions of this Agreement.
- (b) You agree:
 - (i) To accept the use of a Card in payment of the purchase price by the Cardholder of goods or services purchased from you and not discriminate against or promote more favourably than others any Card, Card issuing bank or payment method;
 - (ii) To display prominently any decals, insignia, advertising or promotional materials, including symbols indicating which Cards (such as the Visa symbol, MasterCard symbol, CUP symbol and JCB mark, Alipay mark or WeChat Pay mark) are accepted by you, and use such materials (**Marketing Materials**) supplied to you by us in relation to the Services at our direction;
 - (iii) Not to alter any Marketing Materials;
 - (iv) That if you conduct an Internet business, that the use of the Services is not an endorsement of your business by us and to display a notice to that effect on your website; and
 - (v) Not to enter into or is otherwise bound by any arrangement and/or agreement with any person for the collection of any of the Charges effected by a CUP Card.

2.2 Transaction procedures

- (a) You must follow all procedures and requirements relating to Card transactions set out in this Agreement, including complying with the Operating Procedures and applicable Association Rules, as amended from time to time. Please take the time to read the Schedule 1 Operating Procedures, as they set out important information regarding the processing of Card transactions. If there are any inconsistencies between the General Terms and the Schedule 1 Operating Procedures, the General Terms prevail.
- (b) To process transactions correctly:
 - (i) you must accept any Card type listed on your Merchant Application Form;
 - (ii) you must use your Equipment to process all transactions unless it is not working;
 - (iii) you must only process transactions if the Cardholder has received the goods or services from you, unless the Cardholder has agreed to receive them later;
 - (iv) you must not split a single sale into more than one transaction;
 - (v) you must not process a transaction after receiving a decline response, and must stop accepting any Card as soon as we tell you to do so;
 - (vi) you must obtain an authorization code and show that clearly on the Sales Receipt and you must not give a cash refund for a Card purchase, and any refund must go back to the same Card account used for the purchase transaction;
 - (vii) all details on the Sales Receipt must be true;
 - (viii) the Card transaction must not be subject to any dispute, set-off or counterclaim;
 - (ix) you must have no knowledge or notice of any fact or circumstances which would indicate that the Card transaction was fraudulent or not authorised by the Cardholder;
 - (x) the Card transaction must be made in accordance with this Agreement, including any applicable Association Rules and Schedule 1 Operating Procedures;
 - (xi) the Card transaction must not be a payment for goods or services that violates any applicable law;
 - (xii) for Debit Card transactions, at your discretion, provide the Cardholder with cash either with or without a purchase of goods or services from you, only when Authorisation is given. Cash advances are not permitted on Credit Cards;
 - (xiii) in the case of Card present transactions, you must not manually key a transaction should a Card not swipe correctly through your terminal; and,
 - (xiv) unless required or permitted by law, you must not impose or require the Cardholder to pay surcharge, commission, discount whether through any increase in price or otherwise, or any other term or condition whatsoever on any Cardholder desirous of using the Card.
- (c) Without prejudice to the generality of the aforesaid, you must not allow the use of the Card for transactions forbidden by the Card Association's operating regulations including but not limited to:
 - (i) the use of the Card to refinance an existing debt or Cardholder;
 - (ii) the use of the Card as payment for dishonoured cheque;
 - (iii) the use of the Card as payment by Cardholder of charges already charged to a Card;
 - (iv) the use of the Card for cash disbursement;
 - (v) the use of the Card for internet gambling;
 - (vi) the use of the Card as payment by the Cardholder of debt or charges owed to any party other than the Merchant.

2.3 Transaction records

You must:

- (a) provide us with your records, and all information and assistance that we may reasonably require, relating to any Card transactions when we request them;
- (b) keep in a secure manner all Card transaction records for at least 18 months (for Visa or MasterCard) or 24 months (for CUP) or 36 months (for JCB) from the date of delivery of the goods or services in case a Cardholder disputes the transaction or such longer timeframe as may be required by the applicable Association Rules from time to time;
- (c) give us a clear and legible copy of any voucher or other transaction record that we ask for (otherwise the transaction may be charged back to you); and
- (d) stop accepting Cards as and when notified to you by us.

2.4 Invalid transactions

A transaction is invalid and may be a Charged Back if:

- (a) the Card was not valid at the time of the transaction (for example, the Card has expired, is not yet valid, has been cancelled or has been altered, mutilated, punched, damaged and/or contains any mark, trace and/or indication that it has been cancelled or revoked);
- (b) there is no signature on the Sales Receipt or the signature on the Sales Receipt is different to that on the Card or in the case of on-line transactions, the customer was not verified in accordance with the Association Rules or procedures notified by us to you from time to time;
- (c) the Cardholder did not participate in or authorise the transaction;

- (d) the Sales Receipt has been altered without the Cardholder's authority;
- (e) the Sales Receipt is incomplete or was not presented to us within the relevant timeframe;
- (f) the Card transaction is subject to dispute, set-off or counterclaim;
- (g) it was processed to your own Credit Card;
- (h) Authorisation for the transaction was declined for any reason or does not match our records of the authorisation codes issued;
- (i) it represents the refinance of an existing debt or the collection for dishonoured cheque;
- (j) it is not entered into by you and the Cardholder or is submitted by any third party;
- (k) you use a manual sales voucher in circumstances where your electronic terminal is operational. Any manual sales vouchers must be forwarded to us within 3 days of the Card transaction; or
- (l) it is not processed in accordance with this Clause 2, the Schedule 1 Operating Procedures or any other term of this Agreement.

You must not issue a credit which does not have a previous offsetting sale. Our record of each Authorisation code issued and of the amount authorised under a transaction shall be conclusive for all purposes and intents in the absence of manifest error. However, the requirement of authorisation is solely for our protection and does not constitute any warranty or representation by, or give rise to any variation, waiver or estoppel of whatsoever nature against us, in relation to any transaction.

2.5 Dynamic Currency Conversion (DCC)

- (a) Your participation in DCC in those countries in which it is offered will enable certain of your customers, who are Foreign Cardholders, to present a Card at your point-of-sale and to pay for a purchase in the currency in which the Card is denominated which is an Approved Currency (the "DCC Transaction Currency"), based upon a rate of exchange determined by us, while you receive settlement of the Foreign Transaction in your local currency.
- (b) You acknowledge and agree that a Foreign Transaction will be converted to the DCC Transaction Currency based upon an exchange rate in effect at the time for retail transactions and that the Foreign Transaction, as converted, will be cleared through the applicable Association in the DCC Transaction Currency. DCC applies only to those Cards issued by Visa, MasterCard or such other Association approved by us from time to time for such currency as is approved by us from time to time ("Approved Currency"). We reserve the right to add, delete or suspend any currency to or from DCC, as the case may be, at any time without notice to you. Further, we may terminate or suspend DCC for any reason upon notice to you.
- (c) You will comply with all reasonable instructions provided by us pertaining to your participation in DCC from time to time. Without limiting the foregoing, you agree to comply with the following specific DCC requirements:
 - (i) you will, based upon our instructions and specifications from time to time, provide Foreign Cardholders with the ability to "opt-in," or consent to participate in DCC. If a particular Foreign Cardholder elects not to opt-in, we will process that Foreign Cardholder's transactions in your local currency. Any Foreign Transaction for which you fail to provide a Foreign Cardholder with the opt-in procedure as described herein may result in a Chargeback.
 - (ii) You will comply with all our instructions and specifications applicable to DCC from time to time.
 - (iii) You acknowledge that the timely presentment of Foreign Transactions is necessary for participation in DCC. Each Foreign Transaction must be presented to us within twenty-four (24) hours of the completion of such Foreign Transaction. Notwithstanding the foregoing, Foreign Transactions submitted by you involved in the hotel, lodging and cruise industries must be submitted within twenty-four (24) hours of a Foreign Cardholder's check out from your establishment. In the event that you fail to present a Foreign Transaction within the specified timeframe, we may reduce the amount of the Merchant Incentive to the extent that the amount received by us from the relevant Association as settlement of such Foreign Transaction is less than the Face Amount.
 - (iv) If you issue a credit to a Foreign Cardholder's account, reflecting either the partial or complete return or reimbursement of a Foreign Transaction, such credit or return transaction will be processed in your local currency or the DCC Transaction Currency.
 - (v) A Chargeback incurred in connection with a Foreign Transaction will be transmitted to us by the applicable Association in the DCC Transaction Currency and converted by such Association into your local currency at the relevant Association's designated foreign exchange rate. As such, given the potential variances in exchange rates applied to the underlying Foreign Transaction and the associated Chargeback, you acknowledge that the final amount of the Chargeback will likely differ from the original settlement amount received by you for the Foreign Transaction in your local currency. Notwithstanding anything herein to the contrary, you agree that you are responsible for the full amount of Chargeback.
- (d) As an incentive for your participation in DCC, we will pay you the amount indicated in the Merchant Application Form in your local currency, payable monthly in arrears. We will send a statement to you each month, which sets out the amount of Foreign Transactions processed and the Merchant Incentive earned by you during the particular month. If any Merchant Incentive is paid in respect of the amount of the transactions submitted, and the amount of the transactions submitted is subsequently reduced by any (a) credit or return transaction, (b) Chargeback, and/or (c) transaction values for which we are entitled to reimbursement under this Agreement, such Merchant Incentive will be readjusted accordingly ("Adjusted Merchant Incentive"). You will refund to us any excess of the Merchant Incentive paid by us over the Adjusted Merchant Incentive, within fifteen (15) calendar days following the date on which a notification has been sent to you.

2.6 Floor Limit

- (a) By prior written notice we will designate a Floor Limit in respect of each service outlet or department of a service outlet operated by the Merchant and may similarly vary any such Floor Limit by giving a Notice in accordance with clause 10.6. In the absence of such notice the Floor Limit shall be zero.
- (b) In the case of the Visa Electron Card, transactions must be on an "on-line" mode and Floor Limit shall be zero.

3 SETTLEMENT OF CARD TRANSACTIONS

- (a) We will only acquire and settle Card transactions for Card types specified in your Merchant Application Form. The parties agree that we will be responsible for both:
 - (i) the acquisition and settlement of Credit Card transactions with Issuers in accordance with the Association Rules; and
 - (ii) the acquisition and settlement of Debit Card transactions in accordance with any rules relating to such transactions in your country.
- (b) You must keep a bank account (Settlement Account) with a financial institution, into and from which we can initiate credits and debits in connection with this Agreement.
- (c) Promptly after presentation of a Sales Receipt pursuant to the Schedule 1 Operating Procedures, we will pay into your Settlement Account(s), or if we are unable to make a payment into your Settlement Account send you a Cashier's Order of the Bank for the value of all valid sales and cash out transactions less any refund transactions, Discount (if applicable), Chargebacks or other debits you processed in accordance with the following:
 - (i) we will initiate a credit into your Settlement Account no earlier than two (2) Business Days after the day the transactions are processed (which is the next Business Day if transactions are submitted before merchant cut-off); or
 - (ii) subject to clause 6.2 of Schedule 1, for CUP transactions, we have no liability to pay in respect of a transaction, and you have no right of demand and/or claim of payment and/or any other remedies, damages and/or compensation against us. We will notify you as soon as practicable (i) upon CUP's refusal and/or delay in paying us for a transaction; and/or (ii) if we are not satisfied that all the information in relation to a transaction for which you claim payment accords with our own records.
- (d) We will not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties such as an Association, your financial institution or any failure in an electronic funds transfer system or telephone lines or internet or due to or arising from any of the following events:
 - (i) the occurrence of any of the events set out in clause 2.4;
 - (ii) the non-availability or disruption to any relevant payment or operating systems in connection with the remittance of the Card transactions;
 - (iii) if your Settlement Account is dormant or closed or the cheque or cheques that you issue are frequently dishonoured;
 - (iv) if you provide incomplete or incorrect information (including but not limited to information of your Settlement Account); and
 - (v) any other event or occurrence beyond our control or knowledge.

You agree that payment into your nominated Settlement Account constitutes full and final discharge of our obligation to credit any one of you with Card transactions processed for you or on your behalf.
- (e) If you believe any adjustments should be made with respect to your Settlement Account(s), you must notify us within 45 days after any debit or credit is or should have been effected.
- (f) By providing information to us, you warrant that the information is true and accurate and acknowledge that we will rely on that information, including Sales Receipts.

4 CHARGE CARDS

- (a) We may program your terminal to accept transactions by Charge Card provided you advise us of the merchant number issued to you by the relevant Charge Card Association.
- (b) Our only obligation to you in relation to any Charge Card transaction is to send the transaction details to the relevant Charge Card Association which issued the Card.
- (c) We make no representations and give no warranties whatsoever in relation to the credit worthiness of the person presenting a Charge Card. Charge Card transactions are governed by the terms of the separate agreement between you and the relevant Charge Card Association.

5 INFORMATION

5.1 Cardholder information

- (a) You acknowledge that Cardholder information derived from a Card transaction (including the names, addresses and Card account numbers of Cardholders) is confidential and constitutes personal information defined in the data privacy and protection laws in your country and under any agreement the Cardholder has with the Issuer). You will comply with all applicable Privacy Laws and the PCI security requirements as published from time to time on either the Visa or MasterCard websites, and keep such information safe and secure. This obligation survives termination of this Agreement.
- (b) Without limiting the above, and unless otherwise permitted or required by law, you must:
 - (i) only use Cardholder information for the purposes of authorising, completing and settling Card transactions and resolving any Chargebacks;
 - (ii) not provide (other than to us or if required to do so by law), buy, sell or exchange a Cardholder's name or information in any form;
 - (iii) use proper controls for all records containing Cardholder information, and limit access to selected Employees;
 - (iv) send Card information across the internet or other networks only after encrypting or scrambling it, and protect access to Card information on the internet and other networks you use by password;
 - (v) not retain or store Magnetic Stripe, Chip Card data or PIN data after a transaction has been authorised;
 - (vi) after the period you need to retain the records has ended, destroy the records and any information in a way that ensures any card details are unreadable; and
 - (vii) provide to us and/or an Association as relevant access to, inspection rights and to access to examine documents, instruments and notes (or any part thereof); and/or provide to us or our agent, the aforesaid documents, instruments and notes (or any part of them) for our own and the relevant Association's use and verification and/or our account to Associations, for such period of time as we may deem fit at our absolute discretion, all from time to time and at any time. You will, upon our reasonable prior notice, provide to us all documents, instruments, notes, figures, data and information of whatsoever nature (including but not limited to the Credit Receipts, Sales Receipts and Merchant Deposit Slips) generated out of, evidencing, arising out of and/or in connection with a transaction as we may from time to time or at any time request at our absolute discretion.
- (c) You acknowledge that you do not own any information relating to and derived from Card transactions. During the term of this Agreement, you may only use, store, copy and disclose transaction data as necessary for the purposes of assisting us and the relevant Card Association to complete the transaction, supporting any loyalty program associated with the Card or Services, providing fraud control services or for purposes specifically required by law. If you use any third party to handle transaction data, you must ensure those third parties handle that data in compliance with laws and this provision of this Merchant Agreement. You are responsible for

the transaction data handling actions of your third party suppliers.

5.2 Your information

- (a) You authorise us to obtain from third parties financial and credit information relating to you, your directors, officers and principals in connection with our determination whether to accept this Agreement and our continuing evaluation of the financial and credit worthiness of you, your directors, officers and principals.
- (b) We will handle any information we collect about you, your directors, officers and principals in accordance with Privacy Laws, our privacy collection statements and privacy policies. We will implement all data security measures required by such laws and policies.
- (c) You, your directors, officers and principals acknowledge that information relating to you, your directors, officers and principals and your accounts and dealing relationships with us, including but not limited to details of your facilities, any security taken, transactions undertaken and balances and positions with us, as well as information in your Merchant Application Form ("Information") is collected or held by us.
- (d) The Information may be shared with our head office and any of its subsidiaries (including, representative and branch offices in any jurisdiction and our agent, contractor and its related entities in any jurisdiction ("Permitted Parties") in connection with this Agreement and in accordance with our privacy collection statements and privacy policies, and you, your directors, officers and principals consent to such sharing of information.
- (e) You authorise us, the Permitted Parties and our respective Employees and advisers to disclose Information to:
 - (i) the Permitted Parties;
 - (ii) professional advisers, service providers, independent contractors to, or agents of, the Permitted Parties, such as debt collection agencies, data processing firms and correspondents, who are under a duty of confidentiality to the Permitted Parties;
 - (iii) the Associations and Charge Card Associations (which may be located overseas) as relevant to the transaction;
 - (iv) any actual or potential participant or sub-participant in relation to any of our obligations under this Agreement or assignee, novatee or transferee (or any Employee or adviser of any of them);
 - (v) any credit reference agency, rating agency, business alliance partner, insurer or insurance broker of, or direct or indirect provider of credit protection, of the Permitted Parties;
 - (vi) any financial institution which you have or may have dealings with for the purpose of conducting credit checks (including in the form of bank references);
 - (vii) any court, tribunal, regulatory, supervisory, governmental or quasi-governmental authority which has jurisdiction over the Permitted Parties (which may be located overseas); and
 - (viii) anyone we consider necessary in order to provide you with the services under this Agreement, whether they are located in or outside your country.
- (f) You irrevocably authorise us to discharge and/or release to the relevant Associations all or any of the documents (including but not limited to the form and the content of this Agreement), figures, codes, data and information of whatsoever nature which from time to time or at any time you disclose or release to us and/or we may have access to under or by virtue of your participation in the Associations, any transaction contemplated in this Agreement and/or in relation to or in connection with this Agreement; and/or which an Association may lawfully require us to provide to it from time to time or at any time.
- (g) Every provision of this clause 5.2 survives termination or expiry of this Agreement.

5.3 Confidential Information

You and we agree to keep all Confidential Information of the other of you and TCMS, including the terms of this Agreement, confidential and to only use and disclose Confidential Information of the other of you or either of us as required for the purposes of this Agreement. This clause shall survive termination or expiry of this Agreement.

6 FEES

- (a) You must pay us the fees for the Services as set out in the Merchant Application Form, as well as any additional fees or pricing set out in this Agreement. Those fees are payable when the services are provided. You must also keep a bank account (Fees Account) (which may or may not be the same as your Settlement Account) at a financial institution, from which we may collect fees for the Services as set out in the Merchant Application Form, as well as any additional fees or pricing set out in this Agreement. If you do not nominate in the Merchant Application Form a Fees Account or if there are insufficient funds in the Fees Account from which to debit fees, the Settlement Account will be the Fees Account and you authorise us to collect fees from the Settlement Account. You agree to provide us a direct debit request to enable us to debit to the Fees Account fees for the Services as set out in the Merchant Application Form, as well as any additional fees or pricing set out in this Agreement. You agree to reimburse us for the amount of any charges we incur as a result of any debit to the Fees Account being rejected.
- (b) The fees for Services may be adjusted by us upon 30 days' notice:
 - (i) if the actual volume or average transaction size are not as expected or if you significantly alter your method of doing business; or
 - (ii) to reflect increases or decreases by Associations or government and regulatory bodies in interchange, assessments and other fees, or to pass through increases charged by third parties for on-line communications and similar items.
- (c) We may also increase our fees for Services for any other reason by notifying you in writing 30 days prior to the effective date of any such change.
- (d) We may charge additional one time only fees for responding to specific requests from you, for example fees for extra statements, investigations of account activity requested by you, fees associated with dishonoured payments and fulfilling data access requests. These additional fees may be charged on a time and materials basis or based on the cost of fulfilling such requests averaged across all merchants and represent additional work required to manage your account with us in respect of these requests, which are not part of the Services provided under this Agreement. For the additional fees that may be charged by us, refer to the TCMS website.

7 TAXES

- (a) In this clause 7 words and expressions which have a defined meaning in the relevant Taxes Act(s) in your country have the same meaning

- as in those Taxes Act(s).
- (b) Unless otherwise expressly stated, all consideration to be provided under this Agreement is expressed exclusive of Taxes.
 - (c) If Taxes are payable by us on any supply made under this Agreement, you will, upon receiving a tax invoice from us, pay us an amount equal to those Taxes payable on the supply.
 - (d) This amount will be paid in addition to, and at the same time, as the consideration for the supply is to be provided.

8 CHARGEBACKS

8.1 Chargebacks and other liabilities

- (a) Each of you must, jointly and severally, compensate and indemnify us for any claims, loss, expenses or liability we incur arising out of:
 - (i) a Card transaction between you and any Cardholder;
 - (ii) all Card transactions you submit that are charged back;
 - (iii) your failure to produce a Card transaction record requested by us within the applicable time limits;
 - (iv) you or any of your Employees processing a transaction with wrong transaction information;
 - (v) any error, negligence, wilful misconduct or fraud by you or your Employees;
 - (vi) any dispute over goods or services between you and a Cardholder;
 - (vii) any warranty or representation whatsoever in relation to any goods or services supplied by you;
 - (viii) your failure to comply with any of your obligations under this Agreement;
 - (ix) any losses suffered by us as a result of failures to meet your obligations under this Agreement; or
 - (x) in the case of CUP transactions, the amount of the Card transaction where the Issuer or CUP denies liability and/or claims refunds from us or the difference between the amount of the Card transaction and the amount we receive from CUP in respect of the Card transaction.
- (b) We may refuse to accept any transaction if it is invalid and may charge it back to you if we have already processed it.
- (c) Each of your liability in respect of Chargebacks and the indemnity obligations under clause 8.1 are debts owed to us.
- (d) We may marshal and exercise our rights under any security we hold from you or in relation to your indebtedness to us in respect of your Chargeback liability.

8.2 Debits and set off

We may as relevant (and you agree to do all acts and execute all relevant documents for the following purposes):

- (a) Instruct and you hereby authorise us to instruct your bank to debit your Settlement Account and/or your Fees Account;
- (b) Deduct and set off from settlement funds due to you; or
- (c) Invoice you separately for any of the following amounts:
 - (i) funds credited to your account in error;
 - (ii) invalid transactions (including Chargebacks and our related losses) and reimbursements to be made to us pursuant to clause 8.5;
 - (iii) merchant services fees and any other fees or charges set out in your Merchant Application Form;
 - (iv) fees and fines imposed by the Associations resulting from exchanges or your Chargebacks or your acts or omissions;
 - (v) government charges; and
 - (vi) any other amounts then due from you to us, whether or not arising out of or related to this Agreement.

We may also charge interest on amounts outstanding where there were insufficient funds in your account to satisfy the above amounts.

8.3 Security

We may from time to time request security from one or more of you or a guarantor to secure performance of your obligations under this Agreement. You agree to do all things necessary to put in place enforceable security as requested by us.

8.4 Reserve account

- (a) You hereby authorise us (and you agree to do all acts and execute all relevant documents to enable us) to instruct our bankers to establish a reserve account (Reserve Account) on the terms set out in this clause 8.4.
- (b) We may, in our absolute discretion, require by notice to you, that a portion of the value of any Card transactions payable to you in accordance with clause 3(c), be deposited into the Reserve Account.
- (c) Any funds paid into the Reserve Account in accordance with paragraph (b) represent a debt owing by us to you and are not held by us on trust for you.
- (d) You authorise us to set-off all or part of the monies owing to you under this clause 8.4 against any outstanding obligations you have to us under this or any other agreement including, without limitation, any obligation under clause 8.1(a)(ix) and the indemnities in clauses 8.1 and 10.17 and notwithstanding that this agreement may have terminated.
- (e) Monies deposited into the Reserve Account under this clause 8.4 which are owing to you by us will not accrue interest.
- (f) We may, in our absolute discretion, repay to you all or part of any money deposited by you or on your behalf into the Reserve Account. Such repayment is not a waiver of our right to require further deposits by you into the Reserve Account.
- (g) Within the greater of ten (10) months following termination of this Agreement or such longer period of time as is consistent with our liability for Card transactions in accordance with the Association Rules, we will repay to you any monies owing by us to you under this clause 8.4.

8.5 Delayed Settlement

- (a) We may, in our absolute discretion:
 - (i) whether as a result of a change in your credit profile or the nature of your business activity or any other reason, withhold payment to you of the full amount of any Card transaction less the Discount or any part thereof for such period as we shall in our absolute discretion deem fit; or
 - (ii) if we suspect any Card transaction to be counterfeit or in any way tainted or affected by fraud or forgery, or if we receive a request for transaction documentation in respect of any Card transaction, withhold payment to you of the full amount of the Card transaction less the Discount or any part thereof for such period as we shall in our absolute discretion deem fit, or if payment has been made to you, to seek immediate reimbursement from you of such sum, until and unless you shall prove

to our satisfaction that the Card transaction is genuine and valid. For the avoidance of doubt, we shall not owe you any obligation to take any steps to verify the genuineness or validity of the Card transaction.

- (b) Any funds withheld and/or reimbursed under paragraph (a) are not held by us on trust for you, and will not accrue interest.
- (c) You authorise us to set-off all or part of the monies owing to you under this clause 8.5 against any outstanding obligations you have to us under this or any other agreement including, without limitation, any obligation under clause 8.1(a)(ix) and notwithstanding that this Agreement may have been terminated.
- (d) We may, in our absolute discretion, release to you all or part of any money withheld and/or reimbursed under paragraph (a).
- (e) Within the greater of ten (10) months following termination of this Agreement or such longer period of time as is consistent with our liability for Card transactions in accordance with Association Rules, we will repay to you any monies owing by us to you under this clause 8.5.

8.6 Financial and Other Information

- (a) Upon request, you will provide us with quarterly financial statements and/or annual audited financial statements, prepared in accordance with generally accepted accounting principles.
- (b) Upon request, you shall provide to us or our representatives reasonable access to your facilities and records for the purpose of performing any inspection and/or copying of your books and/or records deemed appropriate and otherwise allow us or a Card Association representative access after reasonable notice to your records to audit compliance with data security requirements, for example after a security intrusion.
- (c) You must advise us immediately of any change in circumstances affecting your business including any Insolvency Event, Change in Control or change in business name, business address, legal status or other business details.

9 ENDING THE AGREEMENT

9.1 Termination

- (a) We may terminate this Agreement immediately and then notify you if any of the following events of default occur (or we may elect, at our sole discretion, to temporarily suspend your card payment facility until such events of default are remedied):
 - (i) there occurs irregular, invalid or illegal Card sales by you, excessive Chargeback's or any other circumstances which, in our sole discretion, may increase our exposure to financial or security risk;
 - (ii) we are notified that you or your directors appear in MasterCard's Member Alert to Control High Risk (MATCH) list, or the equivalent list of any other Card Association;
 - (iii) there occurs any material adverse change in your business, financial condition, business procedures, prospects, goods or services;
 - (iv) our records disclose no transactions/merchant sales or activities whatsoever for a continuous period of three (3) months;
 - (v) your independent certified accountants refuse to deliver an unqualified opinion with respect to your annual financial statements and your consolidated subsidiaries;
 - (vi) you suffer an Insolvency Event;
 - (vii) you purport to assign this Agreement or there is a Change in Control in you or your corporate parent; you fail to comply with any relevant laws by which you are bound;
 - (viii) we are required to cease providing the merchant processing facility by any law, regulation or Association Rule by which we are bound;
 - (ix) any of your representations or warranties in this Agreement are breached or are incorrect when made or deemed to be made
 - (x) you breach any term of this Agreement (including without limitation, the Association Rules) or
 - (xi) you have a loan or similar obligation for borrowed money and we require you to repay prematurely as a result of your default or failure to make payment of the loan on its due date
- (b) You acknowledge that under MasterCard and Visa and CUP and JCB Association Rules, MasterCard, and Visa and CUP and JCB respectively have the right to direct amendment or termination of this Agreement.
- (c) We may terminate this Agreement by prior written notice stipulating the date upon which termination to take effect, without us having to assign any reason for such termination.
- (d) You may terminate this Agreement on 30 days' written notice to us if we notify you of an increase in the fees for Services or modification in the terms of this Agreement, which materially increases your obligations or diminishes your rights, and you provide notice of termination within 30 days. Please note that your continued use of our Services after that date will be deemed acceptance of the increased fees for Services or modification of the terms, throughout the remaining term of this Agreement.
- (e) If this Agreement ends:
 - (i) all amounts payable under this Agreement become immediately due and payable in full on demand;
 - (ii) you must not process any Card transactions through us, and we have no further obligations to accept transactions from you after the termination date;
 - (iii) any rights and obligations of either of us which arose before the termination date will continue, including:
 - a. your obligations to pay or reimburse us for any obligations associated with transactions you have submitted to us; and
 - b. your responsibility for all Chargebacks, fees, refunds and adjustments resulting from Card transactions processed under this Agreement and all other amounts then due or which thereafter may become due under this Agreement.
- (f) We may advise the Associations about your details and the reason we terminated this Agreement if we have terminated this Agreement under clause 9.1(a). The Associations may give this information to another financial institution if you apply for new card processing facilities. This information may then affect your ability to obtain another card processing facility.
- (g) You agree that if you terminate this Agreement before the end of the term except where we are in breach of this Agreement, you will pay to us our reasonable estimate of the fees and charges you would have become liable to pay us under this Agreement had it continued until the end of the term, namely, your local currency equivalent of US\$200, US\$150 and US\$50 (if you are located in Hong Kong, Macau, or Singapore) if you terminate this Agreement in the first, second and third years of the term respectively. You and we agree that this amount is a genuine pre-estimate of the loss which we will suffer as a result of you terminating this Agreement early and does no more than compensate us for the loss we will suffer as a result of the early termination.
- (h) Notwithstanding anything to the contrary herein contained, you hereby irrevocably agree, that in the event of any termination of this Agreement, we have the right to withhold any amount and/or payment due to you in our sole and absolute discretion, provided always that such amount and/or payment may only be withheld by us for purposes of, or relating to chargeback issues and provided further

that such amount and/or payment may only be withheld for a period of 6 months after the effective date of termination. We shall provide to you prior written of our intention to withhold such amount and/or payment, together with amount to be withheld.

9.2 Return of Equipment

- (a) Promptly upon expiry or termination of this Agreement, you must deliver possession of the Supplied Equipment (including all attachments and parts) and the Marketing Materials to us at your cost in the same operating order, repair, condition and appearance that the Supplied Equipment had at the time of its delivery to you (reasonable wear and tear excepted).
- (b) In order to return Equipment, you must:
 - (i) call the TCMS Customer Care Line for the address of the location to send the Equipment;
 - (ii) Include the following information within the shipping box:
 - Company name, trading name, complete address and phone number
 - Name of person to contact if there are any questions
 - Your Merchant Account Number
 - Serial number of the terminal;(found on the underside of the terminal); and
 - (iii) retain proof of delivery documents for your records, and the serial number from the bottom of the terminal.
- (c) For each item of Supplied Equipment that you fail to return to us in accordance with the above terms, you must pay us the greater of your local currency equivalent of US \$250 or the fair market value of such item of Supplied Equipment had it been returned to us in appropriate condition, as determined by us. Alternatively, we may retrieve the Equipment from you and you authorise us to access your premises for that purpose.

9.3 Effect of termination

Any termination of this Agreement does not affect the rights and obligations of any party that have accrued before the termination.

10 GENERAL PROVISIONS

10.1 Term

This Agreement commences on the date of the first Card transaction on the Equipment or when it is signed by us, whichever is the earlier, and continues for 3 years (unless terminated earlier in accordance with this Agreement). After the 3 years, this Agreement will automatically continue for twelve (12) month periods until either you or we terminate it upon 30 days' written notice to the other. Notwithstanding the foregoing, clause 5 commences on the date that you submit a completed Merchant Application Form and survives termination of this Agreement.

10.2 Limitations on Liability

- (a) To the extent permitted by law, we disclaim all representations or warranties, express or implied, made to you or any other person, including any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise of any services or any goods provided incidental to the services provided under this Agreement. Our liability in respect of representations and warranties that cannot be excluded is limited to the re-supply of the Equipment or the Services or the cost of re-supplying the Equipment or the Services.
- (b) In no event will we be liable for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages.
- (c) To the extent permitted by law, our cumulative liability for all losses or damages you may suffer arising out of or related to this Agreement will not exceed (i) your local currency equivalent of US\$50,000; or (ii) the amount of fees received by us pursuant to the Agreement for Services performed in the immediately preceding 12 months, whichever is the lesser.
- (d) Our liability under this Agreement is limited to the extent of our obligations under clause 3.
- (e) We are not liable for any loss, expenses or damage whatsoever caused by:
 - (i) the failure for whatever reason of a Card or any Equipment or the system to function properly or at all; or
 - (ii) the acquisition by any person of information through any unauthorised electronic or other interception of communication on the system.

It is your responsibility to ensure that you have other means available to accept payments if there is any malfunction of Equipment or the system.

10.3 Assignments

- (a) You must not assign or transfer your rights or obligations under this Agreement (including by way of a Change in Control or operation of law), or create any security interest in this Agreement, without obtaining our prior written consent.
- (b) We may novate the rights and obligations of us under this Agreement upon notice to you.
- (c) Subject to Association Rules:
 - (i) Services may be provided by one or more of our affiliates, including the provision of POS Terminals and other equipment and local support functions in relation to this Agreement;
 - (ii) we may assign or transfer this Agreement and our rights and obligations hereunder and/or may appoint an agent or subcontractor to perform our duties hereunder, in whole or in part, to any other third party without notice to you.

10.4 Compliance with Laws

In performing its obligations under this Agreement, each party agrees to comply with all laws, regulations and rules applicable to it, including without limitation, the Association Rules and mandatory online payment standards.

10.5 Force Majeure

Except in respect of your obligations under the Schedule 1 Operating Procedures, no party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by:

- (a) fire, flood, elements of nature or other acts of God;
- (b) any outbreak or escalation of hostilities, war, riots or civil disorders in any country;
- (c) any act or omission of the other party or any government authority;
- (d) any labour disputes (whether or not Employees' demands are reasonable or within the party's power to satisfy); or
- (e) except in respect of your obligations under clause 5.1(c), the non-performance by a third party for any similar cause beyond the reasonable control of such party, including without limitation, failures or fluctuations in telecommunications or other equipment or delay

or failure of a Card Association to pay settlement amounts.

10.6 Notices

- (a) Except as otherwise specifically provided, all notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the processing of Card transactions) must be in writing and sent by mail, courier, facsimile or email:
 - (i) if to you at your address appearing in the Merchant Application Form; and
 - (ii) if to TCMS at our address in your country set out in the Privacy Statement and Consent or as otherwise notified from time to time.
- (b) Notices are deemed to have been given:
 - (i) if sent by mail, on the third day after posting;
 - (ii) if sent by facsimile machine, at the time and on the date specified in the transmission receipt produced by the machine from which it is sent stating that the facsimile has been sent in full; and
 - (iii) if sent in any other manner, when actually received.

10.7 Consents

A party may conditionally or unconditionally give or withhold any consent to be given under this Agreement and is not obliged to give its reasons for doing so.

10.8 Amendment

We may vary any provision of this Agreement, including the Schedule 1 Operating Procedures by giving you written notice. If the variation:

- (a) introduces or increases a charge for the Services, we will give you at least 30 days' notice of the variation and continued use of the facility constitutes your agreement to the variation; or
- (b) is of a general nature, it will start and be binding on you on the date you receive the notice (or such later date that we state in the notice).

10.8A Posting of Agreement

A copy of this Agreement shall be posted on and made available on URL link <https://agreement.tcms.biz>. The Agreement may be amended and updated by us from time to time and notice of any such amendments and/or updates shall be deemed to be given to you upon posting of the relevant amended or updated Agreement on this URL link.

10.9 Severability

The parties intend every provision of this Agreement to be severable. If any part of this Agreement is not enforceable, it is severed and the remaining provisions remain valid and enforceable.

10.10 Waiver

If we do not enforce a right for breach of this Agreement, this does not mean that we have waived our rights for that or any other breach.

10.11 Governing Law

This Agreement is governed by the laws in force in the country indicated in Part A of the Merchant Application Form. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the country indicated in Part A of the Merchant Application Form.

10.12 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to its subject matter, and supersedes any previous agreements and understandings. If this Agreement is provided in a language other than English and there is a discrepancy between the English version and your local language version, the English version prevails.

10.13 No partnership

Nothing in this Agreement constitutes you and us as partners, joint venture parties or principal and agent, unless otherwise stated.

10.14 Representations

You represent to us the following:-

- (a) you have a good reputation, good internal and financial management system;
- (b) you have not been and are not black-listed or forbidden by an Association from participating in the Association;
- (c) All information (including but not limited to your particulars and business set out in Merchant Application Form) and all documents you have provided and will provide to us are true, complete and accurate.
- (d) In respect of participation for CUP Cards, you do not carry on any business under any capital project or company trading project, any business prohibited by the laws of the People's Republic of China and/or the Hong Kong laws, and any business on gambling or otherwise affecting or prejudicing the morals and/or the orders of society; and all representations by you are deemed to be repeated on each day during the term of this Agreement.

10.15 Further Agreements

You shall execute such other agreements as we may in our absolute discretion deem necessary for you to carry out your obligations under this Agreement upon notification from us.

10.16 Cardholder Complaints

- (a) We shall not be responsible to Cardholders in any manner for any goods and/or services supplied by you.
- (b) You will endeavour in good faith to satisfy any claims or complaints made by Cardholders concerning goods and/or services purchased from you by the use of a Card. Failing such settlement you shall reimburse the amount of the relevant transaction (less the Discount) to us and this Agreement shall thereupon cease to apply to that transaction.

10.17 Indemnities and Expenses

- (a) You shall indemnify us and keep us indemnified against all losses, claims, demands, damages, proceedings, liabilities, costs (including all legal costs on a full indemnity basis) and expenses ("Losses") incurred or suffered by us arising out of or in connection with any breach of any provision of this Agreement and/or the enforcement thereof and/or the payment of any Sales Receipt submitted to us.
- (b) Without prejudice to the generality of the aforesaid indemnity, you hereby agree and undertake to indemnify us completely and absolutely, against all claims made against us concerning and arising out of:
 - (i) Cardholder complaints, claims, goods and/or services purchased from you by the use of a Card and all losses, costs and expenses (including legal fees) incurred by us in connection with such claims;
 - (ii) any statement action or matter relating to the return or repossession of any Card by you or the surrounding circumstances, including any action of you, including in particular any defamatory statements made by you or any of your Employees and all losses, costs and expenses (including legal fees) incurred by us in connection with such claims;
 - (iii) the contents of any promotional material supplied by you including but not limited to direct mailing promotions;
 - (iv) any unauthorised, illegal or fraudulent claims and transactions;
 - (v) us allowing the use of both Electronic Data Capture and/or Manual Imprint transactions, particularly, but not limited to any missing signatures.
 - (vi) any claim or proceeding initiated by the Cardholder or any party against us as a result of our payment of the Sales Receipt.
- (c) Additional charges for any services which we may from time to time provide, including but not limited to deposit and or rental for the use of Equipment and/or Terminals, may be levied at such rate and in such manner as we may in our absolute discretion deem fit.

10.18 Anti-money Laundering and Counter Terrorism Financing

- (a) In order to comply with anti-money laundering laws, counter terrorist financing laws, regulations and policies, including our policies, reporting requirement under financial transactions legislation and requests of authorities, we may be :
 - (i) Prohibited from entering or concluding transaction involving certain persons or entites; or
 - (ii) Required to report suspicious transaction to an authority. Transactions impacted included those that may :
 - Involve the provision of finance to any person involved or suspected of involvement in terrorisms or any terrorist act;
 - Be relevant to investigation of an actual or attempted evasion of tax law, investigation of a prosecution of a person for an offence against any applicable law; or
 - Involve persons or entities which may be the subject of sanctions.
- (b) We may intercept and investigate any payment messages and other information or communications sent to or by you or on your behalf and may delay, block or refuse to make any payment. Payment screening may cause a delay in processing certain information.
- (c) We shall not be liable for any loss arising out of any action taken or any delay or failure by us, or any of the Permitted Parties, in performing any of its duties or other obligations, caused in whole or in part by any steps taken as set out above.

11 GLOSSARY

As used in these General Terms, the following terms mean as follows:

Agreement: The agreement between the Merchant and TCMS comprising the Merchant Processing Application, the General Terms (including the Schedule 1 Operating Procedures and Appendix 1), the Privacy Statement and Consent and all documents incorporated by reference (including the Association Rules), each as amended from time to time.

Association: Any entity formed to administer and promote Cards, including without limitation MasterCard International Inc ("MasterCard"), Visa International Association ("Visa"), China CUP Company Limited ("CUP"), JCB International Co., Ltd ("JCB"), Alipay Payment Services (HK) Limited ("Alipay"), Tenpay Payment Technology Co., Ltd. ("Tenpay" or "WeChat Pay") and any applicable Debit networks. Tenpay Payment Technology Co., Ltd. is the entity responsible for administering and promoting WeChat Pay card.

Association Rules: The rules, regulations, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Association.

Authorisation: The confirmation by the card Issuer that the card number exists and that enough funds are available to allow the transaction to go ahead.

Business Day: A day other than Saturday or Sunday or public holiday in the country indicated in Part A of the Merchant Application Form, except in Bangladesh where it is a day other than a Friday, Saturday or public holiday in Bangladesh.

Card: A Credit Card or Debit Card specified on the Merchant Application Form as amended from time to time.

Cardholder: Means the individual whose name is embossed on a Card and any authorised user of such Card.

Change in Control: Any of the following:

- (a) the Merchant agrees to acquire or dispose of, or acquires or disposes of, a substantial asset or assets;
- (b) a person (alone, through or together with their associates) acquires a legal or beneficial interest in 50% or more of the issued securities in the Merchant;
- (c) the Merchant is or agrees to be controlled by a person who did not or was not entitled to control the Merchant on the date of commencement of this Agreement; or
- (d) a person who has not appointed or is not entitled to appoint a majority of directors to the board of directors of the Merchant on the date of commencement of this Agreement does, or becomes entitled to, appoint a majority of directors to the board of directors of the Merchant.

For the purposes of the above definition "agrees" means an agreement which is written or oral, express or implied, conditional or unconditional and includes an obligation for a party to use its "best" or "reasonable" endeavours;

Chip Card: means a card embedded with a chip that communicates information to a POS Terminal;

Chargeback: The reversal of a Sales Receipt (or other indicia of a Card transaction) and reversal of any associated credit to your Settlement Account because a Cardholder or Card Issuer disputes the transaction or which is required by the Association Rules or can be reversed under the Schedule 1 Operating Procedures.

Charge Card: A card issued by a Charge Card Association.

Charge Card Association: American Express Company, Diners Club International Ltd, JCB International Co., Ltd, Alipay Payment Services (HK) Limited, Tenpay Payment Technology Co., Ltd. and any other such charge card associations agreed by the parties.

Confidential Information: Any information relating to the business of TCMS or you or concerning the financial transactions or affairs or the identity of any of them or a Cardholder or the details of a Card transaction and any relevant Association Rules.

Credit Card: A valid Card bearing the service mark of Visa or MasterCard or CUP or JCB or Alipay or WeChat Pay (and any other card agreed by the parties), the use of which accesses the Cardholder's credit facility or a debit facility through one of the credit card schemes.

Credit Receipt: A document (for CUP transactions in the form provided by TCMS from time to time) evidencing the return of merchandise by a Cardholder to a Merchant, or other refund made by the Merchant to the Cardholder.

CUP Card Programme means the financial services Card programme administered by China UnionPay Company Limited.

Discount: The amount calculated in the manner and at the rate notified by us from time to time, which we are entitled to deduct from the value of the valid sales and cash out transactions presented to us in accordance with this Agreement, including terminal rental fees, prior to payment of the balance to You.

DCC or Dynamic Currency Conversion means the conversion of your local currency, being the currency in which your goods or services are priced, into an Approved Currency, as agreed upon by the Foreign Cardholder and you, in accordance with the terms and conditions contained in this Agreement

Debit Card: A valid Card the use of which accesses the Cardholder's cheque or savings account facility made available by the Cardholder's Issuer.

Employees: Employees, contractors, officers, agents and secondees.

Equipment: The POS Terminals and associated hardware, spare parts and replacement parts and software at the Merchant's premises through which electronic funds transfer can occur (but excluding power outlets and telecommunications lines).

Face Amount means the original face amount of the Foreign Transaction in your local currency prior to conversion to an Approved Currency.

Floor Limit means the amount of a transaction or series of transactions made with a Card by one Cardholder in one day at any one service outlet or department or a service outlet operated by the Merchant in excess of which the Merchant must seek specific authorisation from TCMS prior to completing the relevant transaction.

Foreign Cardholder means a Cardholder, whose Card is denominated in an Approved Currency.

Foreign Transaction means transaction between you to a Foreign Cardholder (excluding Cards from Issuers excluded from DCC by us or an Association), as more specifically provided in this Agreement.

General Terms: The terms and conditions set out in this document, as amended from time to time.

Insolvency Event: Any of the following:

- (a) an order is made or an application is made to a court for an order that a party be wound up;
- (b) an application is made to a court for an order appointing a liquidator or provisional liquidator or a liquidator or provisional liquidator is appointed in respect of a party;
- (c) a party enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any classes of its creditors, or it proposes a re-organisation, moratorium or other administration involving any of them;
- (d) a party resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate while solvent on terms approved by the other party or is otherwise wound up or dissolved;
- (e) a party is or states that it is unable to pay its debts when they fall due;
- (f) a party takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to a party; or
- (g) anything analogous or having a substantially similar direct effect to any of the events specified in paragraphs (a)- (f) above happens under the law of any applicable jurisdiction.

Issuer: Cardholder's bank, or the bank which has issued a Card to an individual.

Magnetic Stripe: A stripe of magnetic information affixed to the back of a plastic Credit or debit Card (which must not be stored after Authorisation).

Marketing Materials: Has the meaning in clause 2.1 of this Agreement.

Merchant: The party identified as "Merchant" on the Application. The words "you" and "your" refer to Merchant.

Merchant Incentive means the amount if any specified in the Merchant Application Form as an incentive for your participation in DCC.

Merchant Application Form: The application form attached to the front of the General Terms signed by the Merchant and TCMS.

TCM Solutions Limited, TCMS, Us, We: means the relevant TCM Solutions Limited entity as listed in the Privacy Statement and Consent which is in the country corresponding to that in your trading address specified in Part A of the Merchant Application Form or in your HQ/Corporate address specified in the same if your trading address is left blank.

TCMS Customer Care Line means the number for your country listed in the table set out in the Privacy Statement and Consent.

Operating Procedures: The manual attached as Schedule 1 to this document containing operational procedures, instructions and other directives relating to Card transactions, as amended from time to time.

PCI means PCI Co Limited, the promulgator of Credit Card information security requirements for Visa and MasterCard Cardholder and transaction information.

POS Terminal: A point-of-sale device placed in a merchant location which is connected to the TCMS system via telephone lines or a web interface and is designed to authorise, record and settle data by electronic means for all sales transactions with TCMS.

Privacy Law: Any statute, regulation, guideline or quasi legislative instrument having the force of law that regulates the collection, use, storage or disclosure of personal information about an identifiable individual, any common law privacy obligations by which a party is bound and any industry code (whether voluntary or not) by which a party is bound.

Sales Receipt: Evidence of a purchase of goods or services by a Cardholder from a Merchant using a Card, (regardless of whether the form of such evidence is in paper, electronic or otherwise) which conforms to Association Rules and unless otherwise indicated to the contrary, includes EDC Sales Receipt.

Schedule 1 to this document containing operational procedures, instructions and other directives relating to Card transactions, as amended from time to time.

Services: The activities undertaken by TCMS to authorise, process and settle all Credit Card transactions and Debit Card transactions under taken by Cardholders at the Merchant's location(s) in the country specified in Part A of the Merchant Application Form, and all other activities necessary for TCMS to perform the functions required by this Agreement for all other Cards covered by this Agreement (including where applicable, the provision and maintenance of Supplied Equipment).

Settlement Account: Means the account referred to in clause 3(b).

Supplied Equipment: Equipment that is supplied by TCMS pursuant to clause 1.

Taxes includes (without limitation) all taxes (including goods and services or value added taxes), levies, duties, imposts, charges and withholdings of any nature whatsoever, and of any jurisdiction, together with all penalties, charges and interest relating to any of them or to any failure to file any return required for the purposes of any of them.

Taxes Act means the statute, regulation, guideline or quasi legislative instrument having the force of law that regulates the assessment and collection of Taxes in your country.

You, Your: The Merchant and where the context prescribes a procedure includes your Employees, agents and contractors.

SCHEDULE 1 - OPERATING PROCEDURES

PART A: CREDIT CARDS

We provide processing services to facilitate the passage of your Sales Receipts back to the thousands of institutions who issue the MasterCard® and Visa® and CUP and JCB Cards carried by your customers. This part of the Operating Procedures describes the procedures and methods for submitting

Credit Card transactions for payment, obtaining Authorisations, responding to Chargebacks and Media Retrieval requests, and other aspects of the operations of our services.

They seek to provide you with the principles for a sound Card program. They are designed to help you decrease your Chargeback liability and train your Employees.

The Operating Procedures contained in this part focus primarily on the MasterCard, Visa Associations' operating rules and regulations. In the event we provide Authorisation, processing or settlement of transactions involving Cards other than MasterCard and Visa, you should also consult those independent Card Issuers' proprietary rules and regulations.

The requirements set out in these Operating Procedures will apply unless prohibited by law. You are responsible for following any additional or conflicting requirements imposed by the laws of the country specified in Part A of the Merchant Application Form.

1 MASTERCARD AND VISA AND CUP AND JCB CARDS ACCEPTANCE

1.1 CARD DESCRIPTIONS

At the point of sale, the Card must be carefully examined to determine whether it is a legitimate and valid Card. The name of the Card (e.g., Visa, MasterCard, CUP or JCB) and Card Issuer (e.g., XYZ Bank, etc.) should appear in bold letters on the Card. The following is a description of the authorised Visa or MasterCard or CUP or JCB Card designs:

- (a) Visa Cards have the Visa symbol on the right-hand side of the Card. Above the Visa symbol is the 3-dimensional hologram of the Visa Dove design. The expiration date must be followed by one space and the symbol "V." Visa Cards contain a 16-digit account number embossed across the middle of the Cards and the first digit is always a four (4). In addition, the Classic and Preferred Cards have the first four digits of the account number printed directly below the embossed number. You must always check these numbers carefully to ensure that they are the same. Only Visa Cards fitting this description may be accepted.
- (b) MasterCard Cards have the MasterCard symbol on the front or back of the Card. MasterCard and the Globe designs appear in a 3-dimensional hologram above the symbol. In addition, the words Classic, Preferred, Gold or Business may appear. MasterCard account numbers are sixteen (16) digits, and the first digit is always a five (5). The first four digits of the account must be printed directly below the embossed number. Only MasterCard Cards fitting this description may be accepted.
- (c) CUP Cards have a genuine and distinctive CUP symbol on the front or the back of the Card. The Card does not bear any mark, imprint and/or indication of "sample card" or "of specific use card" or analogous wording either in Chinese or in English.
- (d) JCB Cards have the JCB Logo Mark on the front side of the Card. It is printed with an Ultraviolet JCB Logo Type below the IC Chip which is visible in ultraviolet light. The Card will have a JCB Hologram which has a rising sun, rainbow and "JCB" in micro-lettering. The JCB Hologram can be on the front or reverse side of the Card. JCB Cards contain a 16-digit account number which may be printed or embossed across the middle of the Cards.

1.2 EFFECTIVE/EXPIRATION DATES

At the point of sale, the Card should be carefully examined for the effective (valid from) (if present) and expiration (valid to) dates which are located on the face of the Card. The sale date must fall on or between these dates. Do not accept a Card prior to the effective date or after the expiration date. Otherwise, you are subject to a Chargeback and could be debited for the transaction.

1.3 VALID SIGNATURE

Check the back of the Card. Make sure that the signature panel has not been disfigured or tampered with in any fashion (an altered signature panel may appear discoloured, glued or painted, or show erasure marks on the surface). The signature on the back of the Card must compare favourably with the signature on the Sales Receipt. The Sales Receipt must be signed in the same format as the signature panel on the Card; e.g., Harry E. Jones should not be signed H.E. Jones. The signature panel of Visa and MasterCard and some CUP and JCB Issuer Cards now have a 3-digit number (CVV 2/ CVC 2/ CAV2) printed on the panel.

- (a) **Visa:** If the signature panel on the Card is blank, in addition to requesting an Authorisation, you must do all the following:
 - Review positive identification bearing the cardholder's signature (such as a passport or driver's licence that has not expired) to validate the cardholder's identity.
 - Indicate the positive identification, including any serial number and expiration date, on the transaction receipt
 - Require the Cardholder to sign the signature panel of the Card prior completing the Transaction.
- (b) **MasterCard:** If the Card is not signed and the Cardholder refuses to sign the Card, do not accept it for a transaction. If the Cardholder is willing to sign the Card in your presence, request two pieces of valid and current identification (e.g., driver's licence, another bank Card, etc.).
- (c) **CUP:** If the Card is not signed and the Cardholder refuses to sign the Card, do not accept it for a transaction.
- (d) **JCB:** If the identification of the Cardholder is uncertain or if you suspect the validity of the JCB Card, call the TCMS POS Help Desk for instructions.

1.4 USERS OTHER THAN CARDHOLDERS

A Cardholder may not authorise another individual to use his/her Card for purchases. Be sure the signature on the Card matches with the one on the Sales Receipt. Furthermore, any Card having two signatures on the back panel is invalid and any sale made with this Card can result in a Chargeback. For Cards bearing a photograph of the Cardholder, ensure that the Cardholder appears to be the person depicted in the picture which appears on the Card. If you have any questions, call the TCMS POS Help Desk.

1.5 SPECIAL TERMS

If you limit refund/exchange terms or impose other specific conditions for Card sales, the words "No Exchange, No Refund," etc. must be clearly printed on the Sales Receipt near or above the Cardholder's signature. The Cardholder's copy, as well as your copy, must clearly show this information. Never give cash, cheque or in-store Credit refunds for Card sales. NOTE: A disclosure does not eliminate your liability for a Chargeback. Consumer protection laws and Association Rules frequently allow the Cardholder to dispute these items notwithstanding such disclosures.

1.6 DELAYED DELIVERY OR DEPOSIT BALANCE

In a delayed delivery transaction where a Cardholder makes a deposit toward the full amount of the sale, you should execute two separate Sales Receipts (each completed fully as described in clause 3.1), the first for a deposit and the second for payment of the balance upon delivery of the merchandise or the performance of the services.

- (a) For Visa transactions, you must obtain separate Authorisations for each of the two Sales Receipts. You must assign the separate Authorisation numbers to each Sales Receipt, respectively. You must note on such Sales Receipts the words "delayed delivery," "deposit" or "balance," as appropriate, and the Authorisation dates and approval codes.
- (b) For MasterCard transactions, you must obtain one Authorisation. You must note on both Sales Receipts the words "delayed delivery," "deposit" or "balance," as appropriate, and the Authorisation date and approval code.

NOTE: If delivery is more than twenty-five (25) days after the original transaction date (and the initial Authorisation request), you should reauthorise the unprocessed portion of the transaction prior to delivery. If the transaction is declined, contact the Cardholder and request another form of payment. For example: On January 1, a Cardholder orders your local currency equivalent of US\$2,200 worth of furniture and you receive an Authorisation for the full amount; however, only your local currency equivalent of US \$200 deposit is processed. The above procedures are followed, with your local currency equivalent of US \$2,000 balance remaining on the furniture; your local currency equivalent of US \$2,000 transaction balance should be reauthorised.

1.7 RECURRING TRANSACTION AND PREAUTHORISED ORDER REGULATIONS

- (a) If you process recurring transactions and charge a Cardholder's account periodically for recurring goods or services (e.g., monthly insurance premiums, yearly subscriptions, annual membership fees, etc.), the Cardholder shall complete and deliver to you a written request for such goods or services to be charged to the Cardholder's account. The written request must at least specify the transaction amounts, the frequency of recurring charges and the duration of time for which the Cardholder's permission is granted.
- (b) If the recurring transaction is renewed, the Cardholder must complete and deliver to you a subsequent written request for the continuation of such goods or services to be charged to the Cardholder's account. You must explain to the Cardholder how to stop receiving the goods and services. You may not complete a recurring transaction after receiving a cancellation notice from the Cardholder or Issuer or after a request for Authorisation has been denied.
- (c) You must obtain an Authorisation for each transaction and write "Recurring Transaction" (or "P.O." for MasterCard transactions) on the Sales Receipt in lieu of the Cardholder's signature.
- (d) A Recurring Transaction or Preauthorised Order may not include partial payments for goods or services purchased in a single transaction.
- (e) You may not impose a finance charge in connection with a Recurring Transaction or Preauthorised Order.
- (f) If you process recurring payment transactions, the Recurring Payment Indicator must be included in each Authorisation request. Penalties can be assessed by the Associations for failure to use the Recurring Payment Indicator.

1.8 HONOURING CARDS

The following rules are requirements strictly enforced by Visa or MasterCard or JCB:

- (a) You cannot establish any special conditions for accepting a Card. However, for Credit Card transactions, where permitted by the Association Rules you may charge a surcharge in addition to the cash price of the goods or services.
- (b) You cannot establish procedures that discourage, favour or discriminate against the use of any particular Card.
- (c) You cannot require the Cardholder to supply any personal information (e.g., home or business phone number; home or business address; or driver's licence number) unless instructed by the Call Centre operated by TCMS ("Call Centre"), in which case you (and TCMS) must comply with Privacy Laws in your country. The exception to this is for a mail/telephone order or delivery-required transactions.
- (d) Any tax required to be collected must be included in the total transaction amount and not collected in cash.
- (e) You cannot submit any transaction to re-finance or transfer of an existing Cardholder obligation deemed uncollectable or to cover a dishonoured cheque.
- (f) You cannot submit a transaction or sale that has been previously charged back.
- (g) You must deliver at least one copy of the Sales or Credit Receipt to the Cardholder. Failure to comply with any of the Association Rules may result in fines or penalties.

1.9 DEPOSITS OF PRINCIPALS

You are prohibited from depositing transactions originating from Cards of owners, partners or officers of your business establishment except for transactions that are routine in type, size and frequency for your business and that represent actual sales of goods or services. Submission of sales transactions on Cards in order to obtain a cash advance is strictly prohibited and may result in immediate cancellation of your account.

1.10 DISPLAYS AND ADVERTISING

You must display appropriate Visa or MasterCard or CUP or JCB and, if applicable, other Association decals and program marks on promotional materials as required by Association Rules. You may not indicate that Visa or MasterCard or CUP or JCB any other Association endorses your goods or services. You will permit any Issuer of CUP Cards to include the names and addresses of all or any sales/service outlets operated by you in any directories, guides or other promotional material (including but not limited to the Marketing Materials) used in connection with the CUP Card Programme.

You confirm and acknowledge that all intellectual properties (including but not limited to trade mark) in the JCB Logo Mark, CUP symbol, the Visa symbol or the MasterCard symbol and in all the Marketing Materials which are produced and/or provided by JCB, CUP Visa and MasterCard are and shall remain the sole property of JCB, CUP, Visa and MasterCard respectively and for their branded Marketing Material. You have no right, interest and benefit of whatsoever nature in any of the intellectual properties (including but not limited to the trade mark) in the JCB Logo Mark, CUP symbol, the Visa symbol or the MasterCard symbol or in any of the Marketing Materials. You will not modify, alter and/or change and shall not apply and/or use, the JCB Logo Mark, the CUP symbol, the Visa symbol or the MasterCard symbol or in any of the Marketing Materials in any respect or any manner save and except as expressly permitted by and in strict accordance with the terms and conditions in this Agreement.

1.11 CASH PAYMENTS BY AND CASH DISBURSEMENTS TO CARDHOLDERS

You must not accept any direct payments from Cardholders for charges of merchandise or services which have been included on a Sales Receipt; it is the right of the Card Issuer to receive such payments. You may not make any cash disbursements to a Cardholder as part of a Card transaction except to the extent expressly authorised by the Agreement or the Association Rules.

2 SUSPECT TRANSACTIONS

If the appearance of the Card being presented or the behaviour of the person presenting the Card is suspicious in nature, you must immediately call us. Answer all our questions and follow our instructions. While not proof that a transaction is fraudulent, the following are some suggestions to assist you in preventing fraud transactions that could result in a Chargeback:

- (a) **Ask yourself, does the Customer:**
 - Appear nervous/agitated/hurried?

- Appear to be making indiscriminate purchases (e.g; does not care how much an item costs, the size, etc.)?
- Make purchases substantially greater than your usual customer (e.g. your average transaction is your local currency equivalent of US\$60, but this transaction is for your local currency equivalent of US\$360)?
- Insist on taking the merchandise immediately (e.g., no matter how difficult it is to handle, is not interested in free delivery, alterations, etc.)?
- Appear to be purchasing an unusual amount of expensive items?
- Take an unusual amount of time to sign the Sales Receipt or; look at the back of the Card as he signs
- Talk fast or carry on a conversation to distract you from checking the signature?
- Take the Card from a pocket instead of a wallet?
- Repeatedly come back, in a short amount of time to make additional purchases?
- Cause an unusual, sudden increase in the number and average sales transactions over a one to three day period?
- Tell you he or she has been having some problems with his Card Issuer and request that you call a number (that he or she provides) for a "special" handling or Authorisations?

(b) Does the Card:

- Have embossed characters the same size, height, style and all within alignment?
- Appear to be re-embossed (the original numbers or letters may be detected on the back of the Card)?
- Have a damaged hologram.
- Have a Magnetic Stripe on the back in the Card?
- Have an altered signature panel (e.g., appear discoloured, glued or painted, or show erasure marks on the surface)?
- Have "valid from" (effective) and "valid thru" (expiration) dates consistent with the sale date?

If you use an electronic terminal and swipe the Card, make sure the account number displayed on the terminal and/or the Sales Receipt matches the embossed number on the Card. If you cannot or do not verify the account number and accept the sale, you are subject to a Chargeback and could be debited for the amount of the transaction. IF THE NUMBERS DO NOT MATCH, DO NOT ACCEPT THE CARD AS A FORM OF PAYMENT, EVEN THOUGH AN AUTHORISATION CODE FOR THE MAGNETICALLY SWIPED CARD NUMBER MAY BE RECEIVED.

(c) Fraud-Prone Merchandise Tips:

- Jewellery, video, stereo, computer and camera equipment, shoes and men's clothing are typically fraud-prone because they can easily be resold.
- Be suspicious of high dollar amounts and transactions with more than one fraud-prone item, e.g., two VCRs, three gold chains, etc.
- If you suspect fraud, call the TCMS Customer Care Line. If the terminal does not display the Card number, call the TCMS POS Help Desk for terminal assistance.

Remember: An Authorisation code only indicates the availability of a Cardholder's credit at the time of the transaction. It does not warrant that the person presenting the Card is the rightful Cardholder. If proper procedures are not followed at the time of the transaction, you are subject to a Chargeback and your account may be debited for the amount of the transaction.

(d) Card cancellation

From time to time we will issue instructions, through terminals and/or verbal and/or written instructions, to you concerning the presentation by customers of cancelled Cards and situations where the presentation or use of a Card arouses suspicion that a Card may be being used improperly. You must comply with our general and specific instructions to obtain the return of or repossession of any Card. You must ensure in so doing that such return or repossession of any Card will not give rise to any claim against us.

3 COMPLETION OF SALES AND CREDIT RECEIPTS

3.1 INFORMATION REQUIRED

(a) All of the following information must be contained on a single page document constituting a Sales Receipt:

- Cardholder's account number;
The complete account number must appear on the merchant copy of a Sales or Credit Receipt. On the Cardholder's copy of the Sales or Credit Receipt, the Cardholder's account number MUST be masked so that only the first 6 and last 3 digits appear, known as "PAN Truncation."
- Clear imprint of the Card;
Whenever the term "imprint" is used it refers to the process of using a manual imprinting machine to make an impression of the Card on a Sales Receipt; it does not include the printout from a printer attached to an electronic device. If you use an electronic device (e.g. Authorisation/draft capture terminal, cash register, etc.) and swipe the Card to read and capture the Card information via the chip or Magnetic Stripe, you do not have to imprint the Card. However, if the terminal fails to read the magnetic stripe or chip or if you are required to obtain a voice Authorisation, then you must imprint the card. In addition, the sales draft must have the cardholder's signature. Failure to follow these procedures will prevent you from defending a transaction in the event that it is charged back under a claim that the rightful cardholder did not authorise the purchase. Entering information into a terminal manually will not prevent this type of chargeback. For Mail/ Telephone/ Internet orders see clause 3.2.
- Expiration date of Card;
- Cardholder's signature;
Eligible merchants participating in Visa's Express Payment Service, MasterCard's Quick Payment Service Program, Visa's Small Ticket and/ or MasterCard's Small Ticket are not required to obtain the Cardholder's signature under certain conditions set out by each program.
- Date of the transaction;
- Amount of the transaction including any Taxes capable of being and actually charged to the Cardholder identified separately if required by the laws of your country;
- Description of the goods and/or services involved in the transaction;
If there are too many items, combine them into one description (e.g., "clothing" instead of "one pair of pants, one shirt"). Do not carry information onto a second Sales Receipt.
- A valid Authorisation code;
- Merchant's business details including name and location (city and state required). For tax purposes you should include your registration number and the words 'tax invoice' on the Sales Receipt.

(b) When imprinting Sales Receipts, do not alter the Cardholder account number, circle or underline any information on the Sales Receipt or alter a Sales Receipt in any way after the transaction has been completed and signed. Stray marks and other alterations on a Sales

- Receipt may render it electronically unscannable, unreadable or illegible. This may result in a Chargeback or Summary Adjustment to your account. Do not use an imprinter to complete CUP or Chip Card transactions. For those transactions, require the Cardholder to enter a personal identification number to authenticate the transaction.
- (c) A copy of the completed Sales Receipt must be given to the Cardholder at the time of the transaction. Eligible merchants participating in Express Payment Service, Quick Payment Service and/ or Small Ticket are only required to provide the Cardholder with the completed Sales Receipt when requested by the Cardholder.
 - (d) In respect of each transaction completed at a service outlet operated by you, you will ensure either that the relevant transaction instructions are given in accordance with procedures notified to you by us from time to time or that the following conditions are observed:
 - (i) the Card is presented during the validity period expressed on the face of the Card;
 - (ii) the Card does not appear to have been altered or mutilated;
 - (iii) the Card bears a genuine distinctive hologram device;
 - (iv) in the case of a Visa Card only, the first four digits of the account number embossed on the face of the Card are identical to the four digits pre-printed on the face of the Card immediately above/below them. In the event of a discrepancy, you shall refer to us immediately for instructions and prior authorization. Risk of loss will be on you for failing to obtain such authorisation;
 - (v) a Sales Receipt is legibly completed bearing the imprint of the Card by means of an imprinter acceptable to us, details of the nature and amount in currency of the country indicated in Part A of the Merchant Application Form, the date of the transaction and the initial of the sales person accepting the transaction;
 - (vi) the Sales Receipt is signed by the Cardholder with a signature which appears upon reasonable examination to be the same as that on the reverse of the Card;
 - (vii) the Cardholder's copy of the completed Sales Drafts is given to the Cardholder upon completion of the transaction and our copy is presented to us in accordance with the terms and conditions herein contained;
 - (viii) the Card does not appear in any notification issued by or on behalf of an Association concerning Cards which the Association has cancelled;
 - (ix) a Card transaction should not be processed if you have previously received a "Decline" authorization message.
 - (x) Without prejudice to the aforesaid, the following additional conditions shall apply in the case of Visa Electron transactions:
 - (xi) All Visa Electron transactions shall be settled within 5 days of the date of transaction;
 - (xii) The Merchant shall ensure that
 - (a) the Visa Electron logo is on the front or back of the Card before accepting and allowing the transaction;
 - (b) the Cardholder's name appears on the front of the Card;
 - (xiii) The Visa Electron Card is only for electronic use and will only be accepted through EDC Terminals. Manually keyed-in transactions are not permitted.

3.2 MAIL/TELEPHONE/INTERNET (ECOMMERCE) ORDERS

- (a) You may only engage in mail/telephone/Internet orders provided they do not exceed the percentage of your total bank Card volume reflected on your application. Failure to adhere to this requirement may result in cancellation of your Agreement. Merchants conducting Internet transactions must have special codes (an "Electronic Commerce Indicator") added to their Authorisation and settlement records. Failure to register as a merchant conducting Internet transactions can result in fines imposed by the Associations.
- (b) Mail/Telephone/Internet transactions have a substantially higher risk of Chargeback. Since you will not have an imprinted or magnetically swiped transaction and you will not have the Cardholder's signature on the Sales Receipt as you would in a face-to-face transaction, you will assume all risk associated with accepting a mail/telephone/Internet order transaction. The following procedures, while they will not eliminate Chargebacks, are useful in reducing them:
 - (i) Obtain the expiration date of Card.
 - (ii) On the Sales Receipt, clearly print the Cardholder's account number; effective and expiration dates; date of transaction; description of the goods and services; amount of the transaction in the local currency (including shipping, handling, insurance, etc.); Cardholder's name, billing address and shipping address; Authorisation code; and merchant's name and address (city and state required).
 - (iii) For mail orders, write "MO"; for telephone orders, write "TO" on the Cardholder's signature line.
 - (iv) If feasible, obtain and keep a copy of the Cardholder's signature on file on a form authorising you to submit telephone and mail order transactions including your name and account number.
 - (v) For telephone orders, it is recommended that written verification of the sale be requested from the Cardholder (sent by mail or fax).
 - (vi) You may not submit a transaction for processing until after the merchandise has been shipped or the service has been provided to the customer. (Visa will permit the immediate billing of merchandise manufactured to the customer's specifications [i.e., special/custom orders] provided the Cardholder has been advised of the billing details.)
 - (vii) Notify the Cardholder of delivery time frames, special handling or of a cancellation policy. Merchandise shipping dates must be within seven (7) days of the date Authorisation was obtained. If, after the order has been taken, additional delays will be incurred (e.g., out of stock), notify the Cardholder and re-Authorise the transaction.
 - (viii) You may not require a Cardholder to complete a postcard or other document that displays the Cardholder's account number in clear view when mailed.
 - (ix) If you accept orders via the Internet, your web site must include all the following information in a prominent manner:
 - Complete description of the goods or services offered
 - Merchandise return and refund policy
 - Customer service contract, including email address and/or telephone number
 - The transaction currency being your local currency, unless permission is otherwise received from TCMS)
 - Any applicable export or legal restrictions
 - Delivery policy
 - Privacy policy
 - A description of the transaction security used on your website and policy for the transmission of payment card details.
 - A statement that the Merchant is responsible for the transaction, including the delivery of goods or services and for disputes and complaints in accordance with the terms applicable to the transaction.
 - Country of your domicile.
 - (x) The sale or disclosure of databases containing Cardholder account numbers, personal information, or other Card transaction information to third parties is prohibited
 - (xi) Ensure the Card is not included in any notification (including any Joint Card Recovery Bulletin or Stop List) issued from time to time by the Associations to You regarding Cards that have been cancelled by a Card issuer.
 - (xii) You must not require a Cardholder to waive their dispute rights or rights to Chargeback transactions in accordance with the Association Rules.

- (c) Subject to You complying with clause 3.2(b)(ix), if You engage in internet orders You may submit information that would otherwise be recorded on a Sales and Credit Receipt to us via the internet.
- (d) In the event that You are unable to submit Sales and Credit Receipt information to us via the internet for any reason whatsoever, You will provide us with the Sales and Credit Receipt information in accordance with clause 3.1 of this Schedule 1 until such time as You are able to submit the information via the internet. You agree that we are not liable to You for any loss or damage caused by or arising from any failure by You or Your inability to submit Sales and Credit Receipt information to us via the internet.
- (e) If the relevant Cardholder denies liability in respect of any Mail/Telephone/Internet transactions initiated or concluded by telephone or mail or internet, we shall be entitled to reimbursement of the amount paid to you. For the purpose of this clause 3.2 (e) it is irrelevant whether you have observed the terms and conditions of this Agreement or obtained an Authorisation Approval Code from us.

4 DATA SECURITY

4.1 OBLIGATIONS

Following is important information regarding the protection of cardholder data. Please review carefully as failure to comply can result in substantial fines.

- (a) You may be subject to an audit to verify your compliance with security procedures.
- (b) For Internet transactions, copies of the transaction records may be delivered to Cardholders in either electronic or paper format.
- (c) You may not transmit Cardholder account numbers to Cardholders for Internet transactions.
- (d) You cannot store or retain Card Validation Codes.
- (e) You cannot store or retain Magnetic Stripe or Chip Card data or PIN data.
- (f) Destroy or purge all Media containing obsolete transaction data with Cardholder information.
- (g) In the event that transaction data is accessed or retrieved by any unauthorised person or entity, contact us immediately. You may be asked to conduct an investigation, at your expense, into the unauthorised access.
- (h) You must adhere to the PCI Security or other data security requirements found on either the Visa or MasterCard or CUP or JCB websites.

4.2 VISA'S ACCOUNT INFORMATION SECURITY PROGRAM ("AIS")

- (a) Visa implemented AIS to protect Cardholder data. AIS applies to anyone who stores, processes or transmits Cardholder data. You must comply with the 12 basic AIS requirements shown below:
 - (i) Install and maintain a working network firewall to protect data accessible via the Internet.
 - (ii) Keep security patches up-to-date.
 - (iii) Encrypt stored data.
 - (iv) Encrypt data sent across networks.
 - (v) Use and regularly update anti-virus software.
 - (vi) Restrict access to data by business "need to know".
 - (vii) Assign a unique ID to each person with computer access to data.
 - (viii) Don't use vendor-supplied defaults for system passwords and other security parameters.
 - (ix) Track access to data by unique ID.
 - (x) Regularly test security systems and process.
 - (xi) Maintain a policy that addresses information security for Employees.
 - (xii) Restrict physical access to Cardholder information.
- (b) You should complete the AIS Self-Assessment Questionnaire, a copy of which can be obtained from Visa's AIS website: <http://www.visa-asia.com/ap/sea/merchants/riskmgmt/ais.html>
- (c) You may have additional requirements, imposed at your expense, based on your transaction volume. These additional requirements may include, without limitation:
 - (i) an annual onsite review and an Annual Report on Compliance, performed by a Qualified AIS Security Assessor and in accordance with the AIS Security Audit Procedures and Reporting document; and
 - (ii) a System Perimeter Scan performed on your external-facing IP addresses, by a Qualified AIS Scan Vendor. For more information about the applicability of these additional requirements, contact our Customer Service department or visit the AIS website.
- (d) Visa may impose fines or penalties, or restrict you from participating in Visa programs if it is determined that you are not compliant with the applicable AIS requirements.

5 AUTHORISATIONS

5.1 GENERAL

- (a) You must obtain an Authorisation Approval Code from us for all transactions. Failure to obtain an Authorisation Approval Code for a sales transaction may result in a Chargeback and/or the termination of your Agreement. Authorisation Approval Codes can be obtained through your POS Terminal or a Voice Response Unit ("VRU") or a Call Centre representative. Any fees related to Authorisations will be charged for a request for an Authorisation Approval Code, whether or not the transaction is approved.
- (b) Do not attempt to obtain an Authorisation Approval Code provided by someone other than us. If a Cardholder or another service provider provides you with either an Authorisation number or with a telephone number for obtaining Authorisations, the Authorisation Approval Code you receive may not be valid. Even if the transaction is initially processed and funded, it may be charged back at a later date. Also, if you receive a purported Authorisation Approval Code from someone other than us, we will not have the supporting records and will be unable to verify that you received the Authorisation if that is later questioned in a Chargeback.
- (c) An Authorisation Approval Code only indicates the availability of credit on an account at the time the Authorisation is requested. It does not warrant that the person presenting the Card is the rightful Cardholder, nor is it a promise or guarantee that you will not be subject to a Chargeback.
- (d) If you receive a Referral response to an attempted Authorisation, you may not submit the transaction without calling for and receiving a voice Authorisation. After receiving a Referral response you may not attempt another Authorisation on the same Card through your POS Terminal.

- (e) If you fail to obtain an Authorisation Approval Code or if you submit a Card transaction after receiving a decline (even if a subsequent Authorisation attempt results in an Authorisation Approval Code), your transaction may be assessed fines or fees by the Card Associations for which you will be responsible. To avoid these costs, always obtain an Authorisation Approval Code directly from your terminal before submitting a transaction for settlement.
- (f) You may not attempt to obtain multiple Authorisations for a single transaction. If a sale is declined, do not take alternative measures with the same Card to obtain an approval of the sale from other Authorisation sources. Instead, request another form of payment. If you accept and process a transaction that was declined, or attempt multi- transactions and/or multi-Authorisations, you are subject to a Chargeback, Association Fines and/or cancellation of your Agreement.

5.2 AUTHORISATION VIA TELEPHONE (OTHER THAN TERMINAL/ELECTRONIC DEVICE USERS)

- (a) Call your designated voice Authorisation toll free number and enter the Authorisation information into the VRU using a touch tone phone or hold for an Authorisation representative.
- (b) If advised to pick up a Card, use reasonable and peaceful means to do so. Forward the Card to TCMS in your country. You may be paid a reward for the return of the Card.
- (c) On occasion, the Authorisation Centre will ask you to obtain identification from the Cardholder before issuing an approval code. If you are instructed to do so, clearly write the appropriate identification source and numbers in the space provided on the Sales Receipt unless otherwise prohibited by law.
- (d) If the sale is declined, please remember that our operators are only relaying a message from the bank that issued the Card. The fact that a sale has been declined should not be interpreted as a reflection of the Cardholder's creditworthiness. The Cardholder should be instructed to call the bank that issued the Credit Card.

5.3 AUTHORISATION VIA ELECTRONIC DEVICES

- (a) If you use an electronic terminal to obtain an Authorisation Approval Code, all sales should be authorised through this equipment. Authorisations through other methods will result in additional charges to you.
- (b) If your terminal malfunctions, refer to your Quick Reference Guide, if necessary, or call the TCMS POS Help Desk. The problem will either be corrected promptly or may require terminal programming or replacement. During the period in which your terminal is not functioning, remember to check it periodically since most terminal problems are temporary in nature and are quickly corrected.
- (c) If a terminal is moved or if wires are disconnected, causing malfunction, call the TCMS POS Help Desk immediately and follow their instructions. You may be responsible for any service charges incurred for reactivation of the terminal.
- (d) Until the terminal becomes operable, you must call your designated voice Authorisation toll free number and enter Authorisation information into the VRU using a touchtone phone, or speak to a representative. During this time, each transaction must be imprinted using a manual Imprinter machine. Failure to obtain an Authorisation Approval Code and to imprint these transactions could result in a Chargeback to your account.

5.4 PRE-AUTHORISATION FOR T&E (TRAVEL & ENTERTAINMENT) AND RESTAURANT MERCHANTS

If you are a business engaged in providing travel and/or entertainment services (e.g., car rentals, hotels, motels, etc.) or a restaurant business, and engage in the practice of "pre-Authorisation":

- (a) A hotel, motel, or car rental merchant may obtain an estimated Visa or MasterCard Authorisation at the time of check-in. A restaurant may obtain a pre-Authorisation for an amount which would include anticipated gratuities.
- (b) You must notify the Cardholder of the dollar amount you intend to "Pre-Authorise."
- (c) If the final amount charged to the Cardholder exceeds the original estimate by more than 15% above the pre- Authorisation, you must authorise any additional amounts. All incremental Authorisation codes must be written in the Authorisation area along with the date of each Authorisation and the amounts Authorised each time. This information will assist us, on your behalf, in case of Authorisation-related Chargeback.
- (d) If you receive a decline on a transaction, you must wait twenty-four (24) hours before attempting to re-Authorise. If you re-Authorise prior to this time frame and receive an approval, you may be subject to a Chargeback and a fine imposed by the Associations.
- (e) Restaurants are allowed up to a 20% (instead of 15%) variance above the amount Authorised. If the final amount exceeds the amount "pre-authorized" by more than 20%, you must Authorise the additional amount.
- (f) Vehicle rental providers may not include potential vehicle damage or insurance deductibles in any pre-Authorisations.

5.5 AUTHORISATIONS VIA INTERNET

If you use the internet to obtain an Authorisation Approval Code, all sales should be authorised through the internet and the Authorisation Approval Code captured and recorded via the internet. Authorisations through other methods will result in additional charges to you.

6 SUBMISSION/DEPOSIT OF SALES AND CREDIT RECEIPTS

6.1 SUBMISSION OF SALES FOR MERCHANTS OTHER THAN YOUR BUSINESS

You may present for payment only valid charges that arise from a transaction between a bona fide Cardholder and your business. If you deposit or attempt to deposit transactions that arise from sales between Cardholders and a different business than the one approved by us in our agreement with you, then the transaction may be charged back, we may suspend or debit funds associated with all such transactions, and we may immediately terminate your account and the Agreement.

6.2 TIMELINESS

In order to receive funds same day (where applicable), all Sales and Credit Receipts must be properly completed and submitted daily. For MOTO transactions and CUP transactions (including the Merchant Deposit Slip), all Sales and Credit Receipts must be properly completed and submitted:

- (a) within five (5) Business Days of the date of the transaction if You operate no more than one Primary Location; or
- (b) within ten (10) Business Days of the date of the transaction if You operate more than one Primary Location.

Late Submission of Sales or Credit Receipts may result in a Chargeback to you. If you have not received payment for submitted Sales Receipts after one (1) week from your normal payment date, contact Customer Service.

In respect of each completed Sales Receipt, provided that all the terms and conditions of this Agreement have been complied with by you, we will pay to you the transaction payment:-

We will notify you as soon as practicable (i) upon CUP's refusal and/or delay in paying us the transaction value (or any part thereof); and/or

(ii) if we are not satisfied that all the information in relation to a transaction for which you claim payment accords with our own records.

6.3 MAIL/BRANCH DEPOSIT PROCEDURES

Complete the appropriate summary form designated for your use. Imprint the completed summary with your Merchant Identification Card, if applicable, and sign it. Please do not staple or clip Sales Receipts together or to summary forms. This will distort the Cardholder's account number and may result in a summary adjustment or Chargeback to you. Mail your deposits to us at the address on the envelopes provided. Do not deposit the receipts at your local bank branch.

Do not send us the Merchant copies (which are for your records); submit only the hard copies of the transactions. If Merchant copies are submitted, they will be returned to you unprocessed.

6.4 ELECTRONIC MERCHANTS: DAILY BATCHING REQUIREMENTS & MEDIA SUBMISSION

- (a) Batches must be transmitted to us by the time notified by us to you as varied from time to time in order to be processed on the date of transmission. Additionally, if you deposit via magnetic tape, electronic transmissions, or electronic draft capture terminal (EDC), and have contracted to send the actual Sales and Credit Receipts to us for microfilming and Retrieval, the Sales and Credit Receipts (Media) must be batched daily by register/terminal following the procedures below. Failure to do so may result in a processing fee and/or a Chargeback due to our inability to retrieve the Media as requested by the Issuer.
- (b) A register/terminal Batch header form must be filled out for each Batch of Media.
- (c) The Batch header must be imprinted with your Merchant Identification Card, and all areas completed properly (i.e., Batch number, date, amount, number of items, etc.).
- (d) The Batch/deposit total must match to the settled/reconciled amount displayed on the terminal upon closing the Batch.
- (e) Any discrepancies between the actual Media and electronic display must be reconciled and corrected before storing the Media (for merchants who contract to hold their Media) or before sending us the copies of the deposit. Otherwise, transactions may appear to be a new Submission and may be manually keyed (causing duplicate billing to Cardholders and resulting in Chargebacks) or we may not be able to retrieve an item when requested by the Issuer.
- (f) It is your responsibility to ensure that the actual Media is batched correctly and, depending on the terms of your Agreement, either securely stored at your location or sent to us. (In some cases, the actual Media is sent daily to your head office, and forwarded to us for microfilming.)
- (g) You must confirm that your equipment has transmitted its Batches to us at least once daily. Even if your equipment is designed or programmed to close and submit Batches without your intervention, it is ultimately your responsibility to confirm that the Batches have been transmitted to us for processing.

7 REFUNDS/EXCHANGES (CREDITS)

7.1 REFUNDS

- (a) You must promptly complete and submit a Credit Receipt (with your name, city, state and Merchant Account Number) for the total amount of the refund due a Cardholder.
- (b) Full refunds must be for the exact dollar amount of the original transaction in the currency of the original transaction including tax, handling charges, etc. (You must identify the shipping and handling charges incurred.)
- (c) A description of the goods or services is required.
- (d) The transaction date of the Credit must appear on the Draft.
- (e) All dollar amounts and other handwritten information must be clearly written. (Stray marks on the Credit Receipt will render it unscannable/ illegible.)
- (f) Do not circle or underline any information on the Credit Receipt.
- (g) Imprint the draft with the same Card used by the Cardholder to make the original purchase. Never give cash, cheque or in-store Credit refunds for Credit Card sales. You should not credit an account that differs from the account used for the original transaction.
- (h) Have the Cardholder sign the Credit Receipt, give the Cardholder the appropriate copy, and deposit the Credit Receipt immediately. Failure to process a Credit within five (5) calendar days may result in a Chargeback.
- (i) Authorisation is not required for refunds.
- (j) You cannot intentionally submit a sale and an offsetting Credit at a later date solely for the purpose of debiting and crediting your own or a customer's account.
- (k) You are responsible for paying all refunds submitted to us on your merchant account. We assume no responsibility for verifying any Credits or refunds.
- (l) You are responsible to secure your terminals and terminal passwords and change to its default passwords and to institute appropriate controls to prevent Employees or others from submitting refunds that do not reflect bona fide returns or reimbursements of prior transactions.

7.2 EXCHANGES

- (a) No additional paperwork is necessary for an even exchange. Just follow your standard company policy.
- (b) For an uneven exchange, complete a Credit Receipt (follow the procedures outlined in Section 9.1) for the total amount of only the merchandise returned. The Cardholder's account will be credited for that amount. Then, complete a new Sales Receipt for any new merchandise purchased.

8 RETENTION OF RECORDS FOR RETRIEVALS AND CHARGEBACKS

8.1 RETAIN LEGIBLE COPIES

You must retain legible copies of all Sales and Credit Receipts or any other transaction records (but not Magnetic Stripe or Chip Card information) for a period of at least eighteen (18) months from the date of each transaction (for Visa and MasterCard) and 24 months (for CUP) and 36 months (for JCB) or any longer period as may be required by law or Association Rules from time to time.

8.2 PROVIDE SALES AND CREDIT RECEIPTS

You must provide all Sales and Credit Receipts or other transaction records recorded in accordance with the terms of this Agreement that may be requested by us within the lesser of five (5) Business Days or the shortest time limits established by Association Rules. You are responsible for any deficiencies in Card transaction data transmitted or otherwise delivered to us.

8.3 ENSURE PROPER RETRIEVAL FULFILLMENT

To ensure proper Retrieval fulfillments and/or Chargeback processing, Sales and Credit Receipts must contain the full sixteen (16) digit account number and expiration date. Failure to retain this information could result in a future Chargeback to your account.

9 CHARGEBACKS

9.1 GENERALLY

Both the Cardholder and the Card Issuer have the right to question or dispute a transaction. If such questions or disputes are not resolved, a Chargeback may occur. A Chargeback is a Card transaction that is returned to us by the Card Issuer. As a result, we will debit your Settlement Account or settlement funds for the amount of the Chargeback. It is strongly recommended that, whenever possible, you contact the Cardholder directly to resolve a disputed transaction or Chargeback. You are responsible for all Chargebacks and related costs arising from your transactions.

9.2 TRANSACTION DOCUMENTATION REQUESTS

- (a) In some cases, before a Chargeback is initiated, the Card Issuer will request a copy of the Sales Receipt, via a request for transaction documentation. We will forward the request to you. You must respond to the request within the time frame and manner set out in the request. We will then forward your response to the Card Issuer. If you fail to timely respond, we will so notify the Card Issuer and a Chargeback may result. Upon receipt of a transaction documentation request, immediately retrieve the requested Sales Receipt(s) using the following guidelines:
 - (i) Make a legible copy, centred on A4 paper (only one (1) Sales Receipt per page).
 - (ii) Write the 'case number' from the request for transaction documentation on each copy.
 - (iii) If applicable, make copies of a hotel folio, car rental agreement, or mail/phone order form.
 - (iv) If a Credit transaction has been processed, a copy of the Credit Receipt is also required.
 - (v) Letters are not acceptable substitutes for Sales Receipts.
 - (vi) Fax or mail legible copies of the Sales Receipt(s) to the fax number or mail address provided on the request form.
 - (vii) If you fax your response, please set your fax machine to print your fax number and name on the documents that you send. We can use this information to help know immediately where the documentation received originated from and to know whom to contact in the event the transmission is not clear or complete.
 - (viii) Additionally, please set the scan resolution on your fax machine to the highest setting. The higher resolution setting improves the clarity of characters and graphics on the Sales Receipts transmitted and helps reduce the number of illegible fulfillments and/or Chargebacks.
- (b) If we do not receive a clear, legible and complete copy of the Sales Receipt within the timeframe specified on the request, you may be subject to a Chargeback.
- (c) A handling fee may be charged by the Issuer and will be debited from your Settlement Account or settlement funds if, a transaction documentation request results from a difference in the following information on the Sales Receipt and the transmitted record: merchant name or an incorrect city, state, foreign country and/or transaction date.
- (d) You need to respond to all transaction documentation requests within the specified timeframe indicated on the request, or you may be without recourse of a Chargeback. You must respond to all requests related to fraud investigations. Subsequent Chargebacks for "non receipt of requested item relating to a transaction for fraud request" cannot be contested or represented.

9.3 CHARGEBACK PROCESS

- (a) Regardless of whether you respond to a transaction documentation request, a Chargeback may be debited to your Settlement Account for numerous reasons (see below). If the Card Issuer submits a Chargeback, we will send you a Chargeback notification, which may also include a request for transaction documentation. **Due to the short time requirements imposed by MasterCard and Visa and CUP and JCB, it is extremely important that you respond to a Chargeback notification and transaction documentation request within the time frame set out in the notification.** Do not process a Credit transaction once a Chargeback is received; the Card Issuer will credit the Cardholder's account (unless the Chargeback is reversed).
- (b) If the information you provide is both timely and, in our sole discretion, sufficient to warrant a representation of the transaction and/or reversal of the Chargeback, we will do so on your behalf. However, representation and/or reversal is ultimately contingent upon the Card Issuer and/or Cardholder accepting the transaction under applicable Association guidelines. Representation or reversal is not a guarantee that the Chargeback has been resolved in your favour.
- (c) For Visa Chargebacks, if we reverse the Chargeback and represents the transaction to the Card Issuer, the Card Issuer, at its sole discretion, may elect to submit the matter for arbitration before Visa. Visa may charge a fee for which you will be responsible. If a decision is made in favour of the Cardholder and/or Card Issuer, and the Chargeback is upheld, you will be responsible for all such fees and any other applicable fees and penalties imposed by Visa; such fees and penalties will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.
- (d) If MasterCard refuses to accept our representation, it may resubmit the Chargeback. In such event, we will debit your Settlement Account or settlement funds for the Chargeback. You authorise us to do this. However, if you feel strongly that that it is an invalid Chargeback, we may, on your behalf and at your request, submit the matter for arbitration before MasterCard. MasterCard may charge a fee for which you will be responsible. If a decision is made in favour of the Cardholder and/or Card Issuer, and the Chargeback is upheld, you will be responsible for all such fees and any other penalties imposed by MasterCard; such fees and penalties will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.
- (e) If the Chargeback is not disputed within the applicable time limits set out by MasterCard or Visa regulations, reversal rights are lost. Our only alternative, on your behalf, is to attempt a "good faith collection" from the Card Issuer. This process can take from 30 to 100 days. Good faith collections must meet the Card Issuer's criteria (e.g., above a set dollar amount, usually your local currency equivalent of US\$50; within a specified time limit; etc.). Sometimes Card Issuers will only accept good faith collections after assessing collection fees. A good faith collection is not a guarantee that any funds will be collected on your behalf. If the good faith collection case is accepted by the Card Issuer, you will receive the amount that we are able to recover from the Card Issuer (which may be reduced by fees Card Issuers sometimes impose for accepting good faith collection claims).
- (f) Association Rules and regulations require that a merchant must make a good faith attempt and be willing and able to resolve any disputes directly with the Cardholder. Due to Association Rules, you may not re-bill a Cardholder after a Chargeback is received for that transaction, even with Cardholder Authorisation.
- (g) We strongly recommend that you include a detailed rebuttal letter along with all pertinent documents when responding to a transaction request or a Chargeback notification (e.g., rental agreement, imprinted portion of the invoice or Sales Receipt; the portion signed by the Cardholder; and the area where the Authorisation codes, with amounts and dates, are located).
- (h) Due to the short time frames and the supporting documentation necessary to successfully (and permanently) reverse a Chargeback in your favour, we strongly recommend the following:
 - (i) Avoid Chargebacks by adhering to the guidelines and procedures outlined in these Operating Procedures.

- (ii) If you do receive a Chargeback, investigate, and if you dispute the Chargeback, submit the appropriate documentation within the required time frame.
- (iii) Whenever possible, contact the Cardholder directly to resolve the dispute.
- (iv) If you have any questions, call Customer Service.

9.4 CHARGEBACK REASONS

The following section outlines the most common types of Chargebacks. This list is not exhaustive. For ease of understanding, we have combined like Chargebacks into seven groupings. We have included recommendations on how to reduce the risk of Chargebacks within each group. These are recommendations only, and do not guarantee that you will be able to prevent Chargebacks.

(a) Authorisation Issues

The Following scenarios could cause an Authorisation related Chargeback to occur :

- No account number verification
- Negative account number verification
- Full Authorisation not obtained
- Fraudulent transaction – no Authorisation
- Fraudulent transaction prior to embossed valid date
- Authorisation request declines
- Expired Card
- Early Warning Bulletin/JCB Stop List
- Non-matching account number
- Mail order transaction on expired or never issued account number.

To reduce your risk of receiving an Authorisation-related Chargeback:

- (i) Authorise all transactions and use the proper method of Authorisation.
- (ii) A valid approval Authorisation response indicates the Card is valid and can be accepted for payment. An approval code is usually a 4-6 digit number, along with an Authorisation response of “approval.”
- (iii) A decline Authorisation response indicates the Card should not be accepted for payment. Request a different form of payment from the Cardholder or do not release the merchandise.
- (iv) “Pick-up” Authorisation response from the Issuer indicates the Credit Card account number is lost or stolen.
The Credit Card should not be accepted for payment. Additionally, you can choose to retain the Credit Card and return it to the Acquirer for a reward. If you retain a JCB Card, you must return it to us as soon as possible, but in any case within 7 calendar days.
- (v) Referral Authorisation response prompts you to call us for further instructions.

(b) Cancellations and Returns

The following scenarios could cause a cancellation and return related chargeback to occur

- Credit Transaction not processed
- Cancelled recurring transaction
- Cancelled guaranteed reservation
- Advance deposit service
- Cardholder not aware of your cancellation/return policies

To reduce your risk of receiving a cancellation and return related Chargeback:

- (i) For recurring transactions – ensure your customers are fully aware of the conditions of this type of transaction.
- (ii) Process Credits daily.
- (iii) All Credits must be applied to the account to which the debit originally posted.
- (iv) Pre-notify the Cardholder of billing within 10 days (domestic) and 15 days (international) prior to billing, allowing the Cardholder time to cancel the transaction.
- (v) Do not continue to bill after proper cancellation or after receipt of Chargeback.
- (vi) Ensure proper disclosure of your refund policy is on the Sales Receipt, the words “No Exchange, No REFUND,” etc. must be clearly printed on the Sales Receipt (or electronic equivalent, i.e., the receipt printed when a Card is swiped through a terminal) near or above the Cardholder’s signature.
- (vii) Do not issue Credit in the form of a cheque.
- (viii) Do not issue in-store or merchandise Credit.
- (ix) For travel and entertainment transactions, provide the cancellation policy at the time of reservation.
- (x) For Internet transactions ensure that there is an area on the web page where the Cardholder must acknowledge an understanding of the cancellation policy prior to completing the transaction.

(c) Fraud

The following scenarios could cause a fraud related Chargeback to occur

- Unauthorised or fictitious account number
- Fraudulent processing of a transaction
- Fraudulent mail/phone order transaction
- Counterfeit Transaction
- Fraudulent transaction – no imprint obtained
- Fraudulent transaction – no signature obtained
- Risk Identification Service
- Advance Deposit Service

To reduce your risk of receiving a fraud-related Chargeback:

For Face to Face Transactions

- (i) If you are an electronic merchant, swipe the Card through the electronic Authorisation device to capture Cardholder information and ensure the displayed Card number matches the number on the Card.

- (ii) If you are unable to swipe a Card through an electronic Authorisation device to capture the Cardholder's information via the Magnetic Stripe or Chip Card, you must imprint the Card to prove the Cardholder was present at the time of transaction. Do not alter the imprint on the draft in any way. Manually entering the information into the terminal does not protect you from this type of Chargeback. All pertinent information relating to the transaction must be written on the manually imprinted ticket (date, dollar amount, Authorisation code, and merchandise description). This information ties the imprinted ticket to the transaction.
- (iii) Carefully examine the front and back of the Card at the time of transaction, check the signature and compare it to the signature on the Draft.
- (iv) If you swipe the transaction and receive a Referral response and a subsequent voice Authorisation, you must manually imprint the Cardholder's Credit Card to prove Card presence.
- (v) Do not imprint the Cardholder's Credit Card on the back of the transaction receipt or a separate document unless all transaction elements are present.

For Mail/Telephone Orders

- (i) Follow recommended procedures – use Verified by Visa (VBV) for Internet transactions, CVV2/CVC2, Secure Code.
- (ii) Obtain the Cardholder's account number, name and address with city and state. At time of transaction advise the Cardholder of any extra cost that they are responsible for (shipping, handling, insurance etc.).
- (i) Confirm the account number provided by the customer by repeating the number back to the customer.
- (ii) Required Data Elements on the folio/registration documentation for a GNS (Guaranteed No Show) Transaction :
 - Account number with expiration date
 - Cardholder name, address, phone number
 - Transaction amount (1night's lodging + tax)
 - Authorisation Approval Code
 - Merchant name, address
 - Rescheduled check in date
 - Reservation Confirmation Code
 - "Guaranteed No Show" billing

(d) Non Receipt of Goods and Services

- Services not rendered
- Non receipt of merchandise
- Advance Deposit Service

To reduce your risk of receiving a Non Receipt of Goods and Services related Chargeback:

- (i) Do not process a transaction until the merchandise is shipped.
- (ii) Do not process any Credit Card transaction where the Cardholder has already paid for the goods or services using another method of payment.
- (iii) Inform the cardholder of any specific cancellation policies or Advance Deposits.

(e) Processing Errors

The following scenarios could cause a processing error related Chargeback to occur

- Late Presentment of Sales Receipt
- Services or merchandise paid by other means
- Addition to transposition error
- Altered amount
- Incorrect account number, code or amount
- Duplicate processing
- Transaction exceeds limited amount
- Services not rendered
- Credit post as Debit
- Incorrect transaction amount
- Transaction amount changed
- Merchandise paid by other means

To reduce your risk of receiving a processing error related Chargeback:

- (i) Settle and reconcile your Batches on your terminal/register daily. Ensure that the total amount settled and submitted (displayed on terminal) balances with, and match to, the Credit Card receipts of the transactions.
- (ii) Obtain Card imprint (or swipe the Card through electronic Authorisation device to capture Cardholder information) and Cardholder signature.
- (iii) If you are a paper merchant or the Card cannot be chip or magnetically stripe read, please clearly imprint the Card using the Imprinter machine and do not alter in any way.
- (iv) If you are an electronic merchant, swipe the Card through the electronic Authorisation device and ensure the displayed Card number matches the number on the Card. The Card must be imprinted if the Chip Card or Magnetic Stripe cannot be read or the electronic equipment is inoperable.
- (v) Carefully examine the front and back of the Card at the time of transaction.
- (vi) Compare the signature on the back of the Credit Card with the signature on the Sales Receipt.
- (vii) Telephone orders – confirm the account number provided by the customer by repeating the number back to the customer.
- (viii) Properly authorise all transactions.
- (ix) If the terminal does not display the Card number, call the TCMS POS Help Desk for a terminal upgrade.

(f) Quality of Goods and Services

The following scenarios could cause a Quality of Goods and Services related Chargeback to occur :

- Defective merchandise
- Not as described

To reduce your risk of receiving a Quality of Goods and Services related Chargeback:

- (i) Ensure all merchandise is shipped properly.
- (ii) Ensure all return policies are properly disclosed to the Cardholder at the time of sale.

(g) Non Receipt of Information

The following scenarios could cause a Non Receipt of Information related Chargeback to occur :

- Transaction receipt not received
- Copy illegible
- Cardholder does not recognise transaction
- T&E document not fulfilled

To reduce your risk of receiving a Non Receipt of Information related Chargeback:

- Prepare clean, legible Sales Receipts at the point of sale and send in your Media daily and/or respond to Media Retrieval requests within the required time frame (failure to properly respond to a fraud related Media Retrieval request eliminates any opportunity for a Chargeback reversal).
- Retain copies of transaction documents (but not Chip Card or Magnetic Stripe information) for at least eighteen (18) months from the original sales/post date (or any longer period as may be required under law).
- Ensure that the most recognisable merchant name, location, and/or customer service phone number is provided on all transaction documentation.
- Timely respond to all notifications and requests.

10 OTHER DEBITS AND ADJUSTMENTS

10.1 DEBITS

We may also instruct and you hereby authorise us (and you agree to do all acts and execute all relevant documents to enable us) to instruct your bank to debit your Settlement Account or your settlement funds in the event we are required to pay Association fees, charges, fines, penalties or other assessments as a consequence of your sales activities. Such debits shall not be subject to any limitations of time specified elsewhere in the Agreement. The following is a list of reasons for other debits. We may add to or delete from this list as changes occur in the Association Rules or our operational requirements:

- Association fees, charges, fines, penalties, registration fees, or other assessments including any fees levied against us or any amount for which you are obligated to indemnify us.
- Currency conversion was incorrectly calculated.
- Fees not previously charged
- Reversal of deposit posted to your account in error.
- Debit Summary Adjustment not previously posted
- Reversal of credit for deposit previously posted
- Debit for Chargeback never posted to your account.
- Debit for EDC Batch error fee.
- Association Merchant Chargeback Monitoring Fee- Excessive Chargeback Handling Fee.
- Failure of transaction to meet Member Controller Authorisation Service (MCAS)- Cardholder account number on exception file
- Original transaction currency (foreign) not provided.
- Travel voucher exceeds maximum value
- Debit and/or fee for investigation and/or chargeback costs related to our termination of the Agreement for cause, or for costs related to our collection activities.
- Costs arising from replacement or damage to equipment rented.
- Payment of current or past due amounts for any equipment purchase, rental or lease
- Incorrect merchant descriptor (name and/or city, state) submitted.
- Incorrect transaction date submitted.
- Shipping and handling interchange fees
- Costs or expenses associated with responding to any subpoena, garnishment. Levy or other legal process associated with your account. Any amounts payable by you to us or any of our affiliates whether or not under this Agreement.

10.2 SUMMARY (DEPOSIT) ADJUSTMENTS/ELECTRONIC REJECTS

Occasionally, it is necessary to adjust the dollar amount of your summaries/Submissions (deposits) and credit or debit your Settlement Account or settlement funds accordingly. The following is a list of the most frequent reasons for Summary (Deposit) Adjustments/ Electronic Rejects:

- Your summary reflected an arithmetic error.
- Submitted sales not included in your Agreement (e.g. Diners Club, American Express)
- The dollar amount is unreadable/illegible
- The Cardholder's account number is unreadable/illegible
- Duplicate Sales Receipt submitted.
- Credit Card number is incorrect/incomplete
- Summary indicated credits, but no credit were submitted

10.3 DISPUTING OTHER DEBITS AND SUMMARY ADJUSTMENTS

- In order to quickly resolve disputed debits and Summary Adjustments, it is extremely important that the items listed in this section be faxed or sent to the address listed on the notification.
- If the Summary Adjustment is for unreadable or incorrect Cardholder number, resubmit the corrected Sales Receipt with your next deposit. Also, if the transaction is over thirty (30) calendar days old, you must reauthorize and obtain a valid Authorisation code.
- A clear and legible copy of the Sales Receipt containing the following should be obtained from your files :
 - Date of Sales/Credit
 - Cardholders' account number, name and signature.
 - Total amount of the sale and description of goods and services
 - Date and Authorisation Approval Code
- A dated cover letter detailing the reasons for requesting a review of the debit or Summary Adjustment and documentation to support your dispute. (You should retain a copy of the correspondence and all documentation for your files.) If the inquiry is related to prior correspondence, be sure to include the control number we previously used.
- Immediately fax or mail the Sales or Credit Receipts to the fax number or address provided on your notification letter.
- If you have any questions, please call the Customer Service number provided on the last page of this Program Guide. If a Customer Service Representative informs you that additional documentation is required in order to fully review the item, please immediately submit your rebuttal and transaction documentation to the fax number or address listed on the debit notification.

11 ACCOUNT MAINTENANCE**11.1 CHANGE OF SETTLEMENT ACCOUNT**

If you change the Settlement Account in which you receive the proceeds of your transactions, you must call Customer Service or your Relationship Manager immediately. If you accept payment types other than Visa and MasterCard (such as the American Express Card), you are also responsible for contacting the Associations or companies governing those Cards to notify them of this change.

11.2 CHANGE IN YOUR DETAILS

- (a) If there is change in your legal entity name or structure, you must call Customer Service or your Relationship Manager and request a new Agreement.
- (b) To change your company trading name, address or telephone/ facsimile number, you must send the request in writing to the address on your statement.

12 ASSOCIATION COMPLIANCE

MasterCard and Visa and where relevant for your country CUP and JCB, have established guidelines, merchant monitoring programs and reports to track merchant activity including, but not limited to excessive Credits and Chargebacks, and increased deposit activity. In the event you exceed the guidelines or submit suspicious transactions as identified by an Association or any related program or reports, you may be subject to:

- (i) operating procedure requirement modifications;
- (ii) incremental Chargebacks and/or fees;
- (iii) settlement delay or withholding;
- (iv) termination of your Agreement; or
- (v) audit and imposition of fines.

13 MASTERCARD BUSINESS RISK ASSESSMENT AND MITIGATION**13.1 You must not submit for payment, any transaction that:**

- (a) is illegal; or
- (b) may, in the sole discretion of MasterCard, damage the goodwill of MasterCard or reflect negatively on the MasterCard brand including, but not limited to:
 - (i) the sale or offer of a good or service other than in full compliance with law then applicable to us, the card issuer, you, the cardholder or MasterCard; and
 - (ii) the sale of a good or service, including an image, which is patently offensive and lacks serious artistic value or any other material that MasterCard, in its sole discretion, deems unacceptable for sale in connection with the MasterCard mark.

13.2 You agree that we must notify MasterCard if you process or intend to process transactions relating to Internet gambling or the non face to face sale of prescription drugs or tobacco products or such other business as MasterCard may advise from time to time.**13.3 If you process or intend to process any transactions listed in clause 13.2 above, on execution of this Agreement and once annually during the Term, you must allow us to view all such information as we reasonably request in order to obtain a written opinion from an independent, reputable and qualified legal counsel that the business carried on by you complies with all laws applicable to you, any of your prospective customers, us, the card issuer or MasterCard. You acknowledge that you will not be permitted to process transactions until such time as this opinion has been provided to the satisfaction of MasterCard each year during the Term.****13.4 In the event that we receive notification from MasterCard that you are alleged to have sold goods that infringe a third party's intellectual property rights, we will notify you within five (5) business days of receiving such notice and you agree to provide us with all such information and records as are necessary to enable us to investigate the allegation and provide an appropriate response to both MasterCard and the person that alleged the infringement. You agree to indemnify us for all such loss and damage that we may sustain arising from or in connection with these allegations.****13.5 You acknowledge that we are required to regularly monitor your website to ensure that you are processing transactions in accordance with this Agreement, all applicable laws and Card Association Rules.****13A ALIPAY AND WECHAT PAY PROVISIONS****13A.1 You shall comply with the terms relating to Alipay Services and WeChat Payment Services as set forth in Appendix 1.****PART B: DEBIT CARDS****14 SPECIAL PROVISIONS FOR DEBIT CARD****14.1 DEBIT CARD ACCEPTANCE**

All Debit Cards can be accepted at the point of sale at participating locations. The network mark(s) will be printed on the back of the Debit Card. If the Debit Card is valid and issued by a participating network, you must comply with the following general requirements for all participating networks, in addition to the specific requirements of the network:

- (a) You must honour all valid Debit Cards when presented that bear authorised network marks.
- (b) You must treat transactions by Cardholders from all Issuers in the same manner.
- (c) You may not establish a minimum transaction amount for Debit Card acceptance.
- (d) You may not require additional information, besides the Personal Identification Number, for the completion of the transaction unless the circumstances appear suspicious. A signature is not required for Debit Card transactions.
- (e) You shall not disclose transaction related information to any party other than your agent, a debit card network, or issuing institution and then only for the purpose of settlement or error resolution.
- (f) You may not process a Credit Card transaction in order to provide a refund on a Debit Card transaction.

14.2 TRANSACTION PROCESSING

The following general requirements apply to all Debit Card transactions:

- (a) All debit transactions must be authorised and processed electronically. There is no Voice Authorisation or Imprinter procedure for Debit

Card transactions.

- (b) You may not complete a Debit Card transaction that has not been authorised. If you cannot obtain an Authorisation at the time of sale, you should request another form of payment from the customer or process the transaction as a Store and Forward or Resubmission, in which case you assume the risk that the transaction fails to authorise or otherwise decline. The Cardholder should be instructed to contact the Issuer to find out why a transaction has been declined.
- (c) You may not complete a Debit Card transaction without entry of the Personal Identification Number (PIN) by the Cardholder.
- (d) The PIN must be entered into the PIN pad only by the Cardholder. You cannot accept the PIN from the Cardholder verbally or in written form.
- (e) You must issue a receipt to the Cardholder upon successful completion of a transaction. The Cardholder account number will be masked so that only the first 6 and last 3 digits will appear. The masked digits will appear as a non-numeric character such as an asterisk. This is referred to as PAN truncation.
- (f) You may not manually enter the account number. The account number must be read electronically from the Magnetic Stripe. If the Magnetic Stripe is unreadable, you must request another form of payment from the customer.
- (g) Any applicable tax must be included in the total transaction amount for which Authorisation is requested. Tax may not be collected separately in cash.
- (h) You are responsible to secure your terminals, terminal passwords and change to its default passwords and to institute appropriate controls to prevent Employees or others from submitting refunds and voids that do not reflect bona fide returns or reimbursements of prior transactions.
- (i) You must not store any PIN and you must securely store any account information so as to prevent unauthorised access, use or disclosure.

14.3 CASH OUT FROM PURCHASE

You have the option of offering cash out to your customers when they make a Debit Card purchase. You may set a minimum and maximum amount of cash out that you will allow. If you are not now offering this service, your terminal may require additional programming to begin offering cash out.

14.4 RECONCILIATION

Within one Business Day of the original transaction, you must balance each location to the system for each Business Day that each location is open.

14.5 ADJUSTMENTS.

- (a) An adjustment is a transaction that is initiated to correct a Debit Card transaction that has been processed in error. You will be responsible for all applicable adjustment fees that may be charged by a Debit Card network. Some networks may have established minimum amounts for adjustments.
- (b) There are several reasons for adjustments being initiated:
 - (i) The Cardholder was charged an incorrect amount, either too little or too much.
 - (ii) The Cardholder was charged more than once for the same transaction.
 - (iii) A processing error may have occurred that caused Cardholder to be charged even though the transaction did not complete normally at the point of sale.
- (c) All parties involved in processing adjustments are regulated by time frames that are specified in the operating rules of the applicable Debit Card network and other applicable law.

PART C: GLOSSARY

As used in these Operating Procedures, terms defined in the General Terms have the meanings set out in the General Terms and the following terms have the meanings set out below.

Authorisation Approval Code: A number issued to a participating merchant by the Authorisation Centre which confirms the Authorisation for a sale or service.

Authorisation Centre: A department that electronically communicates a merchant's request for Authorisation on Credit Card transactions to the Cardholder's bank and transmits such Authorisation to the merchant via electronic equipment or by voice Authorisation.

Batch: A single Submission to us of a group of transactions for settlement. A Batch usually represents a day's worth of transactions.

Card Validation Codes: A three-digit value printed in the signature panel of most Cards and a four-digit value printed in the front of an American Express Card. Visa's Card Validation Code is known as CVV2; MasterCard's Card Validation Code is known as CVC2. JCB's Card Validation Code is known as CAV2. Card Validation Codes are used to deter fraudulent use of an account number in a non-face-to-face environment, (e.g. MOTOs and Internet orders), which must not be stored after Authorisation.

Dial-Up Terminal: An Authorisation device which, like a telephone, dials an Authorisation centre for validation of transactions.

Electronic Draft Capture (EDC): A process which allows a merchant's Dial-Up Terminal to receive Authorisation and capture transactions, and electronically transmit them to a Card processor.

General Terms: The terms and conditions set out in this document, as amended from time to time.

Imprinter: A manual or electric machine used to physically imprint the merchant's name and ID number as well as the Cardholder's name and Card number on Sales Receipts.

Media: The documentation of monetary transactions (i.e., Sales Receipts, Credit Receipts, computer printouts, etc.)

Merchant Identification Card: A plastic embossed Card supplied to each merchant to be used for imprinting information to be submitted with each Batch of paper Sales Receipts. Embossed data includes Merchant Account Number, name and sometimes merchant ID code and terminal number.

Merchant Account Number (Merchant Number): A number that numerically identifies each merchant, outlet, or line of business to us for accounting and billing purposes.

PAN Truncation: A procedure by which a Cardholder's copy of a Sales or Credit Receipt will only reflect the first 6 and last 3 digits of the Card.

PIN: A Personal Identification Number entered by the Cardholder to submit a Debit Card transaction.

Recurring Payment Indicator: A value used to identify transactions for which a consumer provides permission to a merchant to bill the consumer's Card account at either a predetermined interval or as agreed by the Cardholder for recurring goods or services.

Referral: The message received from an Issuer requiring Authorisation to be obtained by means of a call to us or Voice Response Unit (VRU).

Resubmission: A resubmission of a debit transaction (at the Merchant's risk) that the Merchant originally processed as a Store and Forward transaction but received a soft denial from the respective debit network.

Retrieval Request/Transaction Documentation Request: A request for documentation related to a Card transaction such as a copy of a Sales Receipt or other transaction source documents.

Sales/Credit Summary: The identifying form used by a paper Submission merchant to indicate a Batch of Sales Receipts and Credit Receipts (usually one day's work).

Split Dial: A process which allows the Authorisation terminal to dial directly to different Card processors (e.g., Amex) for Authorisation.

Split Dial/Capture: Process which allows the Authorisation terminal to dial directly to different Card processors (e.g., Amex) for Authorisation and Electronic Draft Capture.

Store and Forward: A transaction that has been authorised by a merchant when the merchant cannot obtain an Authorisation while the customer is present, typically due to a communications failure. The merchant will store the transaction electronically in their host system and retransmit the transaction when communications have been restored.

Submission: The process of sending Batch deposits to us for processing, electronically or by mail.

Summary Adjustment: An adjustment to your Submission and/or Settlement Accounts in order to correct errors.

APPENDIX 1 – ALIPAY AND WECHAT PAY PROVISIONS

1. Rules for Risk Management.

- a) You agree that, if we or Alipay or WeChat Pay ("Alipay/WeChat Pay") determine in our/its sole discretion that certain features of the Alipay Services or WeChat Payment Services may be subject to high risk of Unauthorized Payment or fraudulent Transaction, we or Alipay/WeChat Pay may suspend or terminate, with reasonable notice, the provision of such part of the Alipay Services or WeChat Payment Services, including but not limited to adjusting the types, issuing banks and payment limit (whether per transaction or per day) of the credit card and/or debit card Alipay users will be able to use to complete the payment from time to time.
- b) You shall use your best efforts to promptly answer Alipay/WeChat Pay user's enquiries and resolve any disputes in relation to the goods and/or services provided by you.
- c) You shall be responsible for all costs and losses incurred by any disputes in relation to the goods and/or services provided by you and any Unauthorized Payment if such Unauthorized Payment is caused by or due to your default with respect to transactions, including but not limited to Chargebacks and related costs, and you will comply with the following rules:

- (A) **Transaction Evidence.** You will provide the transaction evidence within 5 working days upon our or Alipay/WeChat Pay's request.

(B) **Reimbursement.** If we or Alipay/WeChat Pay does not receive the transaction evidence, or we or Alipay/WeChat Pay deems the transaction evidence to be inadequate, or you accept the Chargeback, or the arbitration or pre-arbitration result is not in favor of you, in the case that you elect to proceed with the arbitration or the pre-arbitration (or equivalent procedure) to resolve the Chargeback and such arbitration or pre-arbitration (or equivalent procedure) determines that there is a Chargeback, the Chargeback amount regarding the transaction in question will be deducted from the Settlement Funds in the next settlement cycle in accordance with the settlement provisions of this Agreement.

(C) **Reimbursement Obligation.** Provided transaction evidence has been requested, we or Alipay/WeChat Pay may, having made due enquiry of the Alipay/WeChat Pay user, determine to reimburse an Alipay/WeChat Pay user in the event of any Unauthorized Payment. You agree to indemnify and hold harmless us or Alipay/WeChat Pay for the amount to be agreed between you and us and Alipay/WeChat Pay (each acting reasonably) reimbursed to the Alipay/WeChat Pay user. In the event of any disputes in relation to the goods/services with card payments, you agree to follow the relevant Card Association's rules.

2. Payment Policies

- a) **Responsibilities for Service Fee.** You will pay any Service Fee for using the Alipay Services or WeChat Payment Services and will not, directly or indirectly, transfer any such Service Fee to the Alipay/WeChat Pay users in addition to what you would charge a customer for the relevant transaction in the normal course of business.
- b) **Alipay and WeChat Pay Wallets as Payment Method.** You will not restrict your customers in any way from using Alipay Wallet or WeChat Pay Wallet as a payment method at checkout at any sales channel, including but not limited to requiring a minimum or maximum purchase amount from customers using Alipay Wallet or WeChat Pay Wallet to make payments.
- c) **Prohibited Products.** You fully acknowledge that we or Alipay/WeChat Pay must not provide Alipay Services or WeChat Payment Services with respect to any transaction which is prohibited by this Agreement (including payments in relation to Prohibited Products), Applicable Law or violates Alipay's or WeChat Pay's internal policies (as notified to you from time to time), or which will result in we or Alipay/WeChat Pay being considered to have breached any Applicable Law. You will provide us or Alipay/WeChat Pay information about your products as reasonably requested by us or Alipay/WeChat Pay from time to time. You will not sell products through Alipay's or WeChat Pay's Platform that contain articles prohibited or restricted from being sold to Alipay/WeChat Pay users under any Applicable Law, including without limitation the products which may be listed and updated by Alipay/WeChat Pay and notified to you from time to time (together, "Prohibited Products"). You will ensure that no transaction being submitted for Alipay's or WeChat Pay's processing involves or relates to any Prohibited Products ("Prohibited Transaction"). We or Alipay/WeChat Pay will have the right to refuse to provide any Alipay Services or WeChat Payment Services with respect to any Prohibited Transaction and you will indemnify us or Alipay/WeChat Pay for any damages, losses and liabilities that we or Alipay/WeChat Pay may suffer arising from or in connection with such Prohibited Transactions.
- d) **Products.** You shall use Alipay Services or WeChat Payment Services only for products in connection with your principal business as notified by you to us or Alipay/WeChat Pay in accordance with this Agreement. You shall not make a request for payment or settlement for any transaction unless you are in the course of conducting a sale and purchase transaction with respect to the provision of products to Alipay/WeChat Pay users. Cash Advances by you to Alipay/WeChat Pay users are not allowed in any circumstances. You hereby agree, warrant and represent to us and/or Alipay/WeChat Pay on each of your request for payment that each relevant transaction thereunder has been duly and properly authorized and completed according to the terms and conditions of this Agreement and that the details of the transactions are true and correct.
- e) **Storage of Transaction Information.** You will maintain the records for each transaction to justify its authenticity for a period of seven years after the completion of the transaction and we and/or Alipay/WeChat Pay shall be entitled to review or otherwise access such records. Subject to any legal restrictions under Applicable Law, you will ensure that we, Alipay/WeChat Pay, the relevant service providers of Alipay/WeChat Pay and/or regulatory or governmental authorities having jurisdiction over Alipay/WeChat Pay be provided with or granted access to, the relevant transaction information including but not limited to information on each product, and the amount, currency, time and counterparties to each transaction, within three (3) working days of our or Alipay/WeChat Pay's request. Subject to any restriction under Applicable Laws, we or Alipay/WeChat Pay will advise you of the names of such service providers or regulatory/governmental authorities and the subject matter to which such requests relate.
- f) **Set off & Withholding.** You agree that we or Alipay/WeChat Pay shall be entitled, at our or its sole discretion, to set off, withhold settlement of or deduct any sums payable and liability of any nature from time to time due, owing or incurred by you to us or Alipay/WeChat Pay (or any Alipay/WeChat Pay affiliate) under this Agreement against any monies and liabilities of any nature, including payments, from time to time due, owing or incurred by us or Alipay/WeChat Pay under this Agreement. The circumstances under which we or Alipay/WeChat Pay may exercise our or its rights under this Clause include, but are not limited to,;
 - (A) if you fail to comply with any term of this Agreement;
 - (B) if we or Alipay/WeChat Pay believes that you have or are likely to become subject to bankruptcy, insolvency, reorganization, winding up or similar dissolution procedures;
 - (C) if we or Alipay/WeChat Pay reasonably believes that there has been a material deterioration in your financial condition; and
 - (D) if we or Alipay/WeChat Pay reasonably believes that any transaction is a Prohibited Transaction.

You shall not be entitled to retain or set-off any amount owed to you by us or Alipay/WeChat Pay against any amount due from you to us or Alipay/WeChat Pay.

3. Information Verification and AML Requirements.

- A. **Information Verification.** In order for us or Alipay/WeChat Pay to satisfy our/its obligations and to comply with the relevant requirements under Applicable Law, upon reasonable request by us or Alipay/WeChat Pay, you shall share records and information (including transaction information and records) with us and/or Alipay/WeChat Pay from time to time and we or Alipay/WeChat Pay are authorized by you to provide the relevant records and information to governmental agencies, regulatory authorities and third party service providers for examination and verification as necessary.
- B. **AML Requirements.** You shall comply with all Applicable Law on anti-money laundering, counter-terrorism financing and sanctions (together "AML"). You shall fully cooperate with our and/or Alipay/WeChat Pay's reasonable due diligence (on site or in writing) of your AML policies and procedures, including but not limited to customer management, sanctions and political exposed people review, suspicious transactions monitoring and reporting. In accordance with our and/or Alipay/WeChat Pay's

AML, anti-fraud, and other compliance and security policies and procedures, we or Alipay/WeChat Pay may impose reasonable limitations and controls on your ability to utilize the Alipay Services or WeChat Payment Services. Such limitations may include but are not limited to rejecting payments and/or suspending/restricting any Alipay Services or WeChat Payment Services with respect to certain transactions and/or prospective customers of yours. We or Alipay/WeChat Pay may, for the purposes of complying with relevant suspicious transaction reporting and tipping-off requirements under Applicable Law, report suspicious transactions to the relevant authorities without informing you.

4. **Intellectual Property.**

- A. **Alipay/WeChat Pay License to You.** Alipay and WeChat Pay own all rights, title or interests in and to the intellectual property associated with the provision of the Alipay Services and WeChat Payment Services respectively or has otherwise been granted the appropriate licenses by the relevant owner with respect to such intellectual property. Subject to the terms of this Agreement and, as the case may be, any agreement between Alipay/WeChat Pay and the owner of the relevant intellectual property, Alipay/WeChat Pay grants you during the term of this Agreement, a license to use the relevant intellectual property in the Alipay Services and WeChat Payment Services respectively, the Alipay Platform and the WeChat Pay platform respectively and the Alipay/WeChat Pay branding and logo (it owns or is entitled to use) solely for the purpose of using the Alipay Services and the WeChat Payment Services in accordance with this Agreement. Such license to use the relevant intellectual property granted in favor of you is non-exclusive, non-sublicensable (other than as permitted by and in accordance with this Agreement) and non-transferrable and may be modified or revoked by Alipay/WeChat Pay in writing at any time during the term of this Agreement. You shall be permitted to use Alipay/WeChat Pay's branding and logo solely as required for the purpose of using the Alipay Services and the WeChat Payment Services strictly in accordance with the provisions of this Agreement. You agree that the licenses granted under this clause and your use of such intellectual property under this Agreement will not confer any proprietary right, and you agree to take reasonable care to protect all such intellectual property from infringement or damage and cease all use of such intellectual property immediately upon termination of this Agreement.

You shall not reverse engineer or decode payment systems, software, or any terminal devices owned by Alipay or WeChat Pay. You shall not copy, modify, edit, consolidate or alter such systems or software, including but not limited to source code, object programs, software files, data running in local computer memory, data transmitted from customers' terminals to servers and server data. You shall not modify or add additional functions to the original functions of such systems mentioned hereinabove without the prior written consent of Alipay or WeChat Pay.

Without the prior written consent from Alipay or WeChat Pay, you shall not disclose, transfer or allow any third party to use any interface technology, security protocols and safety certificates provided by Alipay or WeChat Pay. You shall not use resources (including but not limited to customer information, transaction data, terminal devices, promotional and marketing materials) which are dedicated exclusively for Alipay Services or WeChat Payment Services for purposes beyond those prescribed in this Agreement. Such resources shall not be transferred to or used by any third party.

- B. **Your License to Us and Alipay/WeChat Pay.** During the term of this Agreement for the limited purposes of performing the obligations set forth in this Agreement and subject to the terms of this Agreement, you grant to us and Alipay/WeChat Pay a non-exclusive, non-transferable, royalty-free license to use, reproduce, publish, distribute and transmit any of your marketing materials, proprietary indicia or other similar items containing your intellectual Property ("**Your IP**") necessary for us and Alipay/WeChat Pay to perform our/its obligations contemplated by this Agreement and to refer to your name in the public announcement as one of the partners using the Alipay Services or WeChat Payment Services. You represent and warrant to us and Alipay/WeChat Pay that you have obtained all necessary authorities, permissions, approvals and licenses to license Your IP to us and Alipay/WeChat Pay and that Your IP does not infringe the intellectual property of any third party.

5. **Data privacy.**

Each party will take all commercially reasonable endeavours to ensure that the Personal Information is protected against misuse and loss, or unauthorized access, modification or disclosure and will promptly notify the other party of any loss of, or any unauthorized disclosure of or access to, the Personal Information. Each party may retain records of payments for complying with Applicable Law and internal compliance requirements. "**Personal Information**" in this Appendix 1 means personal information or data, whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or data, processed by either party in connection with this Agreement. We or Alipay/WeChat Pay may transfer transaction data, including Personal Information, to any of our or Alipay/WeChat Pay's affiliates that have been delegated any of the obligations under this Agreement.

Without the prior consent of ours or Alipay/WeChat Pay, you shall not take any measures to collect, keep or use customer data encoded in magnetic stripe cards or chip cards, verification code, valid period, passwords and other sensitive information.

6. **Confidential Information.**

Each party acknowledges that the Confidential Information of the other is valuable to it and agrees to treat as confidential all Confidential Information received from the other party in connection with this Agreement. Neither party will disclose such Confidential Information to any third party except to perform its obligations under this Agreement or as required by Applicable Law or government authorities, and in each case, the disclosing party will, to the extent permitted under Applicable Law, give the other party prior notice of such disclosure. Upon termination of this Agreement or at the written request of the other party, each party will promptly return or destroy all material embodying Confidential Information of the other. Notwithstanding the foregoing, each party may retain reasonable copies of the other party's Confidential Information to comply with Applicable Laws or in order to exercise its rights under this Agreement, provided that such retained Confidential Information will not be disclosed or used for any other purposes. "**Confidential Information**" in this Appendix 1 means all non-public, proprietary or other confidential information, whether in oral, written or other form, including but not limited to: the content and performance of this Agreement, business plans, capitalization tables, budgets, financial statements; costs, prices, and marketing plans, contracts and licenses, employee, customer, supplier, shareholder, partner or investor lists, technology, know-how, business processes, trade secrets and business models, notes, sketches, flow charts, formulas, blueprints, and elements thereof, and source code, object code, graphical design, user interfaces and other Intellectual Property, including that of any customer, supplier or other third party (including, in the case of Alipay/WeChat Pay, the interface technologies, security protocol and certificate to any other website or enterprise provided by Alipay/WeChat Pay) .

7. **Publicity.**

Neither party will issue any press release or make any public announcement pertaining to this Agreement without the prior written consent of the other party unless required by Applicable Law binding the party. However, the preceding limitation will not be interpreted to prevent Alipay/WeChat Pay or us from making general statements about our or Alipay/WeChat Pay's business or about services similar to the Alipay Services or WeChat Payment Services in or outside of the jurisdiction where you are located.

8. **Your Responsibilities.**

- A. **Information Accuracy & Changes.** You are responsible for ensuring that all of the information disclosed to us or Alipay/WeChat Pay in connection with this Agreement, whether relating to yourself or otherwise, is materially true, accurate and complete. You will promptly inform us and Alipay/WeChat Pay of any action or event of which you become aware that has the effect of making materially inaccurate, any of your representations or warranties.
- B. **Your Own Use/Fraud Prevention.**
- You will only use the Alipay Services and/or the WeChat Payment Services for your own business operations and in such manner as stated in this Agreement. You will ensure that the Alipay Services and the WeChat Payment Services are not used for any purpose of account top-up, account transfer or any other purpose that is solely related to funds transfer without an underlying transaction.
 - You will only use the Alipay Services and the WeChat Payment Services for your own account, for your own business purpose and will not make use of the payment interface provided by us or Alipay/WeChat Pay in connection with this Agreement for performing any commercial or non-commercial services for any other third parties.
 - For the avoidance of doubt, your role is that of a merchant, in which capacity you utilize the Alipay Services and the WeChat Payment Services in your own right.
- C. **Transaction Management.** You, including any of your computer software programs, software development kits (SDK) or service procedures, will use the Alipay Platform and/or the WeChat Pay platform in accordance with this Agreement and will ensure your systems meet the software requirements and service processes and procedures provided by us or Alipay/WeChat Pay with respect to order handling, settling methods and goods delivery or service provision, which may be updated from time to time. We or Alipay/WeChat Pay will not be responsible for any loss or damage due to the malfunction of your own system.
- D. **Alipay or WeChat Pay User Disputes.** You will be solely liable for dealing with Alipay and/or WeChat Pay users in relation to complaints or rejections of products initiated by such Alipay or WeChat Pay users.
- E. **Operational Maintenance.** You shall facilitate the provision of Alipay Services and WeChat Payment Services at your own costs through keeping the relevant software and hardware of cashiers (including but not limited to Spot Payment scanner, physical circuits or networks) in a good operational condition and properly linking to Alipay's Platform and WeChat Pay's platform.
- F. **Point of Sale.** You shall display Alipay/WeChat Pay branding at the point of sale in compliance with Alipay/WeChat Pay guidelines, and cooperate to have your sales staff be "trained" to promote the use of the Alipay Spot Payment and WeChat Payment Services.

9. **Presentation Guidelines**

You shall display the brand or logo of Alipay and WeChat Pay and identify Alipay and WeChat Pay as prominently as and in parity with all other forms of payment method accepted by you, such as through display next to the point of sale at physical retail stores or terminal devices, official websites or on your promotional materials. Such information on Alipay and WeChat Pay shall be presented by you whenever payment options are featured for the purchase of products.

Alipay's and WeChat Pay's logo and content must be used only for the purposes of indicating acceptance of Alipay or WeChat Pay by you as a form of payment in accordance with the terms of this Agreement, unless otherwise authorized by us or Alipay/WeChat Pay. You will present an accurate description of the Alipay Services and the WeChat Payment Services in accordance with Alipay's and/or WeChat Pay's guidance as issued from time to time. Alipay/WeChat Pay shall be entitled to do the onsite review on the brand presence of Alipay/WeChat Pay.

10. **Cooperation**

- Launch**. We and/or Alipay/WeChat Pay and you will use commercially reasonable efforts to launch the Alipay Services and the WeChat Payment Services in an efficient and cost effective manner, which will include the implementation of the Alipay Services and the WeChat Payment Services on your platform, the development of APIs, technical integrations, and data exchanges as necessary.
If you have not done any transaction on Alipay Services or WeChat Payment Services within ninety (90) calendar days after the opening of accounts, Alipay/WeChat Pay shall have the right to suspend the Alipay Services or WeChat Payment Services for you under this Agreement without assuming any legal responsibility.
- Joint Marketing**. In our or Alipay/WeChat Pay's discretion, we or Alipay/WeChat Pay and you will discuss in good faith joint marketing programs to promote the Alipay Services and/or the WeChat Payment Services. Any formal marketing programs may be implemented as we or Alipay/WeChat Pay and you may agree, but in any event no sooner than one month after your platform has been successfully configured to accept the Alipay Services and/or the WeChat Payment Services as a means of payment for your customers.
- Media Announcement**. As may be requested by us or Alipay/WeChat Pay in our and/or Alipay/WeChat Pay's discretion, you will consult with us and/or Alipay/WeChat Pay in good faith to find the most appropriate way to announce the business cooperation between the parties in the media and you will share relevant data approved by you to demonstrate success of the business relationship after six months of using the Alipay Services and/or the WeChat Payment Services.

11. **Representations and Warranties**

Each party makes each of the following representations and warranties to the other party, and acknowledges that such other party is relying on these representations and warranties in entering into this Agreement.

- A. **Authorization.** Each party represents and warrants the following (collectively, the "Authorization Warranties"):
- it is an independent corporation duly organized, validly existing and in good standing under the laws of jurisdiction of its incorporation;
 - it is properly registered to do business in all jurisdictions in which it carries on business;
 - it has all licenses, regulatory approvals, permits and powers legally required to conduct its business in each jurisdiction in which it carries on business; and
 - it has the corporate power, authority and legal right to execute and perform this Agreement and to carry out the transactions and its obligations contemplated by this Agreement.
- B. **Validity.** Each party represents and warrants that once duly executed by the party, this Agreement shall constitute valid and binding obligations on the party, enforceable in accordance with its terms. Except as otherwise stated in this Agreement, no approval or consent of any person or government department or agency is legally or contractually required to be obtained by the party in order to enter into this Agreement and perform its obligations.
- C. **No Conflicts.** Each party represents and warrants that neither (a) the execution of this Agreement, nor (b) the consummation by

the party of this Agreement will (i) conflict with the certificate of incorporation or by-laws or any other corporate or constitutional document of the party or (ii) breach any obligations of the party under any contract to which it is a party or (ii) violate any Applicable Law.

- D. **Litigation.** Each party represents and warrants that there is no litigation, proceeding or investigation of any nature pending or, to the party's knowledge, threatened against or affecting the party or any of its affiliates, which would reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Agreement.

12. **Compliance with laws**

- A. You warrant and represent that the products which will be sold to Alipay or WeChat Pay users under this Agreement will:
- a. comply with all applicable laws, regulations and rules; and
 - b. not infringe upon any third party's rights and interests, including without limitation, intellectual property rights and proprietary rights.
- B. You shall comply with any applicable laws in connection with the operation of your business and performance of your obligations under this Agreement. You will at your own costs, keep such records and do such things as are reasonably necessary to ensure that Alipay and/or WeChat Pay complies with any applicable laws; provided always that you shall not be required to do anything which is inconsistent with or in breach of any applicable laws.

13. **Third party IP Indemnity**

You shall indemnify and defend us and Alipay/WeChat Pay and our and/or Alipay/WeChat Pay's affiliates from and against any claim that any license you and/or your affiliates granted under Clause 4 of this Appendix 1 or the exercise thereof in accordance with this Agreement constitutes an unauthorized use or infringement of any intellectual property rights of any third party.

Dated 3 September 2024