

Standard Terms and Conditions for CARD CONNECT Terminals

IMPORTANT NOTICE

- (a) These standard terms and conditions are to be read as incorporated with the Application Form and terms relating thereto.
- (b) The User is advised to take specific note of all clauses printed in bold as these clauses may limit or exclude CARD CONNECT'S liability or be prejudicial to the User.
- (c) By signing the Application Form, the User has indicated its intent to enter into this Agreement and is thereby deemed to have agreed and accepted to these terms and conditions.
- (d) In the event that the User does not agree to these terms and conditions, the User's sole remedy is to terminate this Agreement by formal notification to CARD CONNECT as prescribed herein, subject to clause 18, when applicable. Termination of this Agreement shall not affect any/all rights and remedies that have already accrued to either Party before date of termination.
- (e) Notwithstanding anything to the contrary contained herein, CARD CONNECT reserves the right to amend the Agreement, including any fees applicable to the User, at any stage upon prior written notice to the User, which notice period shall be such notice deemed reasonable by CARD CONNECT with due consideration to the circumstances giving rise to such amendment. The latest version of the Agreement shall be available on CARD CONNECT's website at <https://connected.co.za/card-connect>, or upon request within 48 hours.
- (f) It is the responsibility of the User to ensure that the User has made the latest version of the Agreement familiar to him/her/it and to keep up to date with any amendments made to the Agreement as may be made available on CARD CONNECT's website. The User's continued use of the Merchant Terminal shall be deemed as continued acceptance of the latest Agreement, including the updated terms and conditions and fees.
- (g) The User acknowledges that the Merchant Terminal and all ancillary services, fees and commission, if applicable, may be subject to and/or originate from the Merchant Bank and/or third-party utility providers. CARD CONNECT may therefore be obligated by various terms and conditions enforced by the Merchant Bank and/or such third-party utility providers, and CARD CONNECT is consequently entitled to add, remove and/or amend the Agreement, product offering, services and/or fees in relation thereto, including the conditions and/or procedures as it becomes reasonably necessary.

1 DEFINITIONS

- 1.1 In this Agreement, the following words shall be ascribed the following meanings:
 - 1.1.1 **"Agreement"** means the Application Form, these Standard terms and conditions, which include the Terminal Specific Terms and Conditions (Annexure A), The Terms and Conditions Governing Use of the Service (Annexure B), and where applicable, the Travel Industry Annexure as well as the terms and conditions entered into between you and CARD CONNECT and the relevant acquiring bank ("Merchant Acquiring Agreement"), as amended. The Agreement will be binding on both the User and on CARD CONNECT, even where the User has not signed the Agreement in whole or in part
 - 1.1.2 **"Application Form"** included either a physical application form signed by the User or an online application completed by the User, and in which various information is contained relating to the terms of the Agreement;
 - 1.1.3 **"CARD CONNECT"** means Card Connect, a division of Main Street 1723 (Pty) Ltd (Proprietary) Limited, Registration number 2019/300711/07, having its principal place of business at First Floor, Block D, Sable Square, Corner of

Bosmansdam and Ratanga Road, Milnerton, Cape Town, 7441;

- 1.1.4 **"CARD CONNECT Services"** means the point of sale services provided by CARD CONNECT to the User for the use of the Merchant Terminal and related merchant services in terms of the Agreement;
- 1.1.5 **"Commencement Date"** means the date of signature of the Application Form by the User;
- 1.1.6 **"CPA"** means the Consumer Protection Act, 68 of 2008, as amended;
- 1.1.7 **"Day(s)"** means Business days, being Monday to Friday but excluding any regulated Public holiday or a Saturday or Sunday;
- 1.1.8 **"Delivery"** means the moment in which the Merchant Terminal has been delivered, installed or couriered via courier or other means upon the User entering into the Agreement with CARD CONNECT;
- 1.1.9 **"Download and/or Transfer"** means the download of a Voucher from CARD CONNECT's interface to the Merchant Terminal and is effective when the User confirms the transaction by selecting the relevant option to accept the transaction on the Merchant Terminal. At no stage are Value Added Services and/or PINS housed on the Merchant Terminal
- 1.1.10 **"Electronic Transaction"** means a transaction done through a Merchant Terminal which leads to electronic transfer of funds or a Transaction;
- 1.1.11 **"End User"** means the cardholder utilising a card issued by a banking institution, which allows him or her to pay for goods or services or receive a refund, where applicable, in respect of goods or services purchased from the User using such card, the Merchant Terminal, the CARD CONNECT Services and related merchant services;
- 1.1.12 **"Floor Limit"** means the total value which the User may permit an End User to spend on a card at any one time without prior authorisation from us;
- 1.1.13 **"Including without limitation,"** means that the list is not an exhaustive listing;
- 1.1.14 **"Initial Term"** means the initial term of the Agreement as detailed in the Application Form;
- 1.1.15 **"Merchant Acquiring Agreement"** means an agreement between the User and a Merchant Bank of CARD CONNECT's choice in terms of which certain financial transactions using the Merchant Terminal and CARD CONNECT Services are processed and a debit or credit acquired by the User and End User;
- 1.1.16 **"Merchant Bank"** means a merchant bank of CARD CONNECT's choice in terms of which certain financial transactions using the Merchant Terminal and CARD CONNECT Services are processed by the Merchant Bank and a debit or credit acquired by the User and End User in terms of a Merchant Acquiring Agreement;
- 1.1.17 **"Merchant Terminal"** means the CARD CONNECT branded electronic funds transfer point of sale terminal, comprising an electronic card based system used for processing transactions through terminals at point of sale or a mobile terminal (may be used in conjunction with the User's mobile cellular phone where applicable), together with the CARD CONNECT Services, which terminal is more fully described in the Application Form;
- 1.1.18 **"Merchant Service Fee"** means an amount levied by CARD CONNECT and payable by the User which amount is determined as a percentage of the value of each Transaction processed through the Merchant Terminal as specified in the Application Form;
- 1.1.19 **"Monthly Minimum Service Fee Threshold"** means the difference between the Monthly Minimum Service Fee Threshold and the actual Merchant bank service fees generated in respect of the previous months transactions, which Monthly Minimum Service Fee Threshold amount is set out under Application Form;

- 1.1.20 "**Network Operator**" means a company (e.g. Vodacom, MTN and Telkom) that owns an electronic communications network, and which makes such network and the electronic communications services conveyed over such network available to the CARD CONNECT and other industry players for commercial purposes;
- 1.1.21 "**Operational Date**" means the date which the User signs the delivery documentation from the courier company and the date of which the terminal and the reference guide is received and signed by the User.
- 1.1.22 "**Operating Hours**" means the hours when the Merchant Terminal and CARD CONNECT Service will be available and operational, which are set out in the Application Form;
- 1.1.23 "**Our**" or "**us**" refers to CARD CONNECT wherever the context so indicates.
- 1.1.24 "**Personal Information**" means information relating to an identifiable, natural or juristic person, including but not limited to, information relating to race, gender, sex, marital status, nationality, ethnic or social origin, colour, sexual orientation, age, physical or mental health, religion, belief, disability, language, birth, education, identity number, telephone number, email, postal or street address, biometric information and financial, criminal or employment history as well as correspondence sent by the person that is implicitly or explicitly of a private or confidential nature or further correspondence that would reveal the contents of the original correspondence;
- 1.1.25 "**PIN/PIN Number**" means a unique identification number, owned by and personal or unique to the End User which is used to activate and process transactions via the Merchant Terminal;
- 1.26 "**PCIDSS**" means the Payment Card Industry Data Security Standards in effect from time to time or any successor standards to those standards;
- 1.1.27 "**Prepaid Products and/or Services**" means any prepaid services such as but not limited to cellular airtime, electricity or third party prepaid credit purchases as may be offered by CARD CONNECT from time to time;
- 1.1.28 "**Premises**" means the premises from where the User operates the Merchant Terminal. In the event that the User does not operate the Merchant Terminal at a fixed premises, Premises will be the User's principal place of business or registered address of business;
- 1.1.29 "**Prime**" means the publicly quoted basic rate of interest per annum at which CARD CONNECT's bankers will lend on overdraft, as certified by a manager of the said bankers, whose appointment it shall not be necessary to prove;
- 1.1.30 "**Service Provider/SP**" means any service provider and/or their direct agents, including but not limited to Telephony Networks, Electricity Suppliers, Postal Services, Municipalities, Merchant Banks and/or any other providers of services;
- 1.1.31 "**Transaction(s)**" means any successful transaction processed by the User on behalf of the End User using the Merchant Terminal and related CARD CONNECT Services;
- 1.1.32 "**Travel Industry Annexure**" means the annexure to the this Agreement to be entered into where the User conducts business in the travel industry and which allows the User to process Transactions with End Users where the User is not in possession of the End User's card at the time when the Transaction is processed;
- 1.1.33 "**Termination Date**" means the date when the Agreement will end due to effluxion of time as set out in the in the Application Form, unless terminated by CARD CONNECT or the User in accordance with the terms of the Agreement;
- 1.1.34 "**Trade Marks**" means the registered trademarks and trade mark applications of CARD CONNECT;
- 1.1.35 "**User**" means the person set out in the Application Form, who will be using the Merchant Terminal and CARD CONNECT Services and to whom this Agreement applies;
- 1.1.36 "**Uncontrollable Event**" means Including Without Limitation , any fire, flood, earthquake, elements of nature or acts of

God, riots, civil disorders, strikes, labour disputes, government regulations, rebellions or revolutions in any country, disruptions to the Merchant Terminal and/ or the CARD CONNECT Services as a result of acts or omissions of the other party, any Service Provider, third party non-performance, Network failure or Network Operator failure, failure or malfunction of computer or telecommunications hardware, equipment or software, or any other cause beyond the reasonable control of CARD CONNECT including the termination or suspension of any service or product provided by a Service Provider that may result in a delay or a failure to provide the Merchant Terminal or the CARD CONNECT Services; and/or any and delay or a failure in or of the Merchant Terminal or the CARD CONNECT Services, whatever the case may be;

- 1.1.37 "**Unique PIN**" means a unique identification number, which upon input into a device, grants the End User a credit value for the use of the Value Added Services as offered by CARD CONNECT or a Service Provider, as the case may be;
- 1.1.38 "**Value Added Services**" or "**VAS**" means Prepaid Products and/or Services as well as any post-paid products (such as bill payments), which may be offered by CARD CONNECT from time-to-time;
- 1.1.39 "**VAT**" means Value Added Tax as provided for in the Value Added Tax Act, 1991, as amended;
- 1.1.40 "**Voucher**" refers to an electronic card or similar device purchased or held by an End User which allows the End User to redeem such voucher for gifts, commodities, services, or cash as may be offered by a participating vendor or a Service Provider from time to time;
- 1.2 In this Agreement, unless the context otherwise indicates:
 - 1.2.1 "you" or "your" refers to the User, wherever the context so indicates.
 - 1.2.2 words importing the singular shall include the plural and vice versa.
 - 1.2.3 All headings and titles in this Agreement are inserted for convenience only and are to be ignored in the interpretation of this Agreement.
 - 1.2.4 Terms defined in this Agreement have the same meaning in the Schedules to this Agreement, unless specifically indicated to the contrary in those schedules.
 - 1.2.5 Unless a contrary intention clearly appears, the term "in writing" means a handwritten or typed notice or communication and includes a notice or communication transmitted by email.
 - 1.2.6 Any reference to any statutory provision is a reference to that statute or statutory provision at the Signature Date and as amended or re-enacted from time to time.
 - 1.2.7 Where numerical figures are referred to in numerals and words, if there is any conflict between the two, the word shall prevail.
 - 1.2.8 Where any number of days is prescribed in this Agreement, that number shall be determined exclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a Business Day, in which case the last day shall be the following Business Day.

2 DESCRIPTION OF THE SERVICES AND OBJECTIVES OF THE AGREEMENT

- 2.1 CARD CONNECT allows Users to use the Merchant Terminals and the CARD CONNECT Services on certain terms and conditions.
- 2.2 The User would like to make use of the Merchant Terminal and the related CARD CONNECT Services., subject to the terms and conditions set out in this Agreement.
- 2.3 The terms and conditions pertaining to the use of the Merchant Terminal by the User and the provision of the related CARD CONNECT Services by CARD CONNECT are detailed in this Agreement.

3. OPERATION AND AVAILABILITY OF THE MERCHANT TERMINAL AND USER'S RESPONSIBILITIES

- 3.1 The User shall, on the Operational Date, receive from CARD CONNECT a specification of the Merchant Terminal and CARD CONNECT Services which sets out and describes what the Merchant Terminal is able to do, and how it functions and operates and has confirmed that the Merchant Terminal and related CARD CONNECT Services are suitable for its business purposes and the End Users' purposes.
- 3.2 The User is aware and acknowledges that the Merchant Terminal does not operate in isolation but instead relies on functionalities, which are provided by a number of Service Providers who provide separate but interrelated and connected services that as a whole, allow the Merchant Terminal to function. The Service Providers operate as independent Service Providers who are not necessarily contracted by CARD CONNECT. User shall be responsible for the payment of any charges or extra charges by any Service Provider or any other Governmental or non-Governmental body that has the authority to control the use of the Merchant Terminal and any connections required for the proper functioning of the Merchant Terminal.
- 3.3 CARD CONNECT will use its best endeavours to ensure that the Merchant Terminal remains operational at all times, during Operating hours. However, due to the nature of the Merchant Terminal and the CARD CONNECT Services, which are dependent on a number of independent Service Providers over whom CARD CONNECT has no direct control, CARD CONNECT expressly stipulates and the User acknowledges that CARD CONNECT provides the Merchant Terminal and the CARD CONNECT Services "as is" and "as available", save and except where the Merchant Terminal itself (determined independently) is defective and hence un-operational.
- 3.4 CARD CONNECT, accordingly cannot and does not warrant or guarantee that the Merchant Terminal and/or the CARD CONNECT Services:
 - 3.4.1 will at all times be free of errors or interruptions, or
 - 3.4.2 that the CARD CONNECT Services will always be available, or
 - 3.4.3 will not infringe on any third party rights, or
 - 3.4.4 will be secure and reliable,
 BUT subject always to the provisions of the CPA where applicable and in particular where the Merchant Terminal is defective and the User is able to show that the reason for the inoperativeness or un-availability of the CARD CONNECT Services is solely attributable to such defect.
- 3.5 Notwithstanding the above and under all circumstances, CARD CONNECT will use its best endeavours to notify the User in advance of any failure of, or interruption to the Merchant Terminal or the CARD CONNECT Services and where applicable any required maintenance and repairs which may have to be carried out or be performed as a result of such failure, interruption or unavailability of the CARD CONNECT Service, where it is in a position to do this.
- 3.6 The Merchant Terminal will be operated at the User's cost and controlled only by the User.
- 3.7 The User must comply with the specification, instructions and recommendations for the operation, service and maintenance of the Merchant Terminal or any part thereof which CARD CONNECT will provide the User with from time to time.
- 3.8 In instances where the User conducts business in the Travel Industry, or any other business which Card Connect deems applicable, it is acknowledged that it is often necessary for the User to process Transactions at times where the End User's card is not presented to and accordingly in the possession of the User at the time when the Transaction is processed. In the circumstances and in order to assist such a User and to facilitate Transactions for such a User, the User shall be required to enter into and sign the MOTO with CARD CONNECT and to comply with the terms thereof.

- 3.9 The User must further comply with the User Guide and all updates thereto, as provided by CARD CONNECT from time to time, which will furthermore be available at <https://connected.co.za/card-connect>.
- 3.10 The User shall simultaneously with completing the Application Form, alternatively within 48 (Forty Eight) hours of receipt of request to do so, provide CARD CONNECT with any documentation required in terms of the Financial Intelligence Centre Act ("FICA"), any other statute, regulation or as is reasonably required by either CARD CONNECT or the Merchant Bank, failing which CARD CONNECT shall not process the Application Form and will not enter into this Agreement.
- 3.11 The User undertakes to accept each valid card that is presented to it by the rightful End User in payment of goods and/or services.
- 3.12 The User undertakes to supply the goods and/or services at a price which is no more than its usual cash price for the goods and/or services, not to discriminate against any End User by adding any surcharge or by setting a minimum or maximum transaction amount as a condition of honouring any card.
- 3.13 A zero Floor Limit shall apply to all Transactions.
- 3.14 The User shall not process a Transaction that did not result from a transaction between the User and the End User and all Transactions shall take place only in South Africa.
- 3.15 By presenting an electronic Transaction to us, the User guarantees the following:
 - 3.15.1 all statements of fact contained therein, are true;
 - 3.15.2 goods and/or services were delivered or supplied at the User's normal cash price and the price contains no extra charges or element of credit whatsoever;
 - 3.15.3 the said Transaction between the User and the End User is legal;
 - 3.15.4 there has been proper compliance with all the terms of this Agreement;
 - 3.15.5 CARD CONNECT is protected from any claim or liability that may arise between the User and the End User about goods and/or services delivered or supplied. The User shall have to give evidence that satisfies CARD CONNECT that the debiting of the End User's account was authorised by the End User;
 - 3.15.6 The User actually supplied the goods and/or services referred to in the electronic Transactions between the User and the End User.
- 3.16 The User will make sure that it and its agents and subcontractors (where applicable) comply with the PCI DSS and all obligations relating to data security, data compromises and the steps necessary to demonstrate compliance with the PCIDSS. The User can access full detail of the applicable obligations and processes at the PCIDSS website (<http://www.pcisecuritystandards.org>).

4 VALUE ADDED SERVICES AND PREPAID SERVICES

- 4.1 Where the User makes use of any Value Added Services supplied by CARD CONNECT, the following terms and conditions shall be applicable:
 - 4.1.1 Payment for Prepaid Products and/or Services shall be made:
 - 4.1.1.1 In advance by way of:
 - 4.1.1.1.1 a cash deposit to CARD CONNECT's banking account, in which event the User shall be liable to make payment of a fee to CARD CONNECT in an amount equivalent to the cash deposit fee as levied by CARD CONNECT's Bankers from time-to-time, in respect of the deposit in question and for which, acceptance hereof by the User shall constitute authorisation for CARD CONNECT to deduct the amount of such administration fee from the User's credit balance, which amount shall reflect on the User's statement from time-to-time; or

- 4.1.1.2 electronic funds transfer into CARD CONNECT's banking account.
- 4.1.2 The Prepaid Products and/or Services' credit balance will be updated on the Merchant Terminal, within 1 (one) Day of the funds reflecting in CARD CONNECT's bank account.
- 4.1.3 User shall ensure that CARD CONNECT's bank statement clearly references the User's merchant number in order for CARD CONNECT to correctly allocate such funds. Failure to do shall result in the funds not being allocated to the User's account within the period as set out in clause 4.1.2 above.
- 4.1.4 The risk and liability in and to any Prepaid Products and/or Services and/or the Unique Pin, that are administered by CARD CONNECT for and on behalf of the User, shall lie with the User.
- 4.1.5 Such risk shall pass from CARD CONNECT to the User immediately upon the Download and/or Transfer of such Prepaid Products and/or Services to the Merchant Terminal, whether in the possession or under the control of the User;
- 4.1.6 CARD CONNECT shall in its exclusive opinion determine and provide reports confirming the date and time that such Download and/or Transfer by User has occurred, which reports shall be regarded as prima facie evidence of receipt of the Prepaid Products and/or Services and/or the Unique Pin by the User, unless evidence to the contrary is submitted and proved in a Court of law
- 4.1.7 The User hereby indemnifies and holds CARD CONNECT harmless in respect of any claim of whatsoever nature that may be made against CARD CONNECT, pursuant to the damage, loss, destruction or theft of the Prepaid Products and/or Services and/or Unique PIN, howsoever caused;
- 4.1.8 Without derogating from the generality of clause 4.1.6, CARD CONNECT shall under no circumstances provide refunds or replacements in respect of amounts prepaid or Unique Pin Downloaded or Transferred, as the case may be.
- 4.1.9 The User shall ensure that all Unique PIN that are in the possession or under the control of the User are adequately insured against all risks including but not limited to damage, loss or theft howsoever caused, including any destruction, damage or loss pursuant to the damage to or loss of the Terminal.
- 4.2 Discount Rates
- 4.2.1 Where it is applicable or allowable, the User shall be entitled to purchase Prepaid Products and/or Services at a discount rate, which discount rate shall be determined in accordance with the discount rates as recorded on the schedule hereto headed "Discount Rates on VAS Transactions".
- 4.2.2 CARD CONNECT shall be entitled to vary any/all of the discount rate/s recorded in the schedule hereto headed "Discount Rates on VAS Transactions" and/or to discontinue the supply of any pre-paid denominations it deems necessary, subject only to 10 (ten) Days prior written notice to the User of such variation in the event that:
 - 4.2.2.1 the rate/s at which CARD CONNECT obtains Unique PIN from Service Providers, is changed for any reason whatsoever,
 - 4.2.2.2 CARD CONNECT deems it to be necessary to vary such rates, in its sole and absolute discretion.
- 4.3 CARD CONNECT shall not be liable to the User pursuant to the expiry of any Prepaid Services and/or Products and/or the Unique Pin, while such Prepaid Products and/or Services and/or the Unique Pin are in the End User's possession or under the End User's control and the User hereby indemnifies CARD CONNECT in respect of any such claim made against CARD CONNECT pursuant hereto.

5 TRADEMARKS

- 5.1 The User acknowledges that all its rights, title and interest and each of the Trademarks vest in Main Street 1723 (Pty) Ltd and that it has no claim of any nature in and to any Trademarks.

- 5.2 The User shall not, at any time during or after termination or cancellation of this Agreement dispute the validity and enforceability of any of the Trade Marks or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of that right, title and interest and shall not counsel or assist any other person to do so.

- 5.3 The User shall not, without the prior written consent of CARD CONNECT adopt or use upon or in relation to any trade marks, names or style resembling the Trade Marks or any of them.

- 5.4 The User shall not use the Trade Marks without the prior written consent of the CARD CONNECT and then on terms and conditions as determined by CARD CONNECT in its sole and absolute discretion.

6 DURATION

- 6.1 The Agreement shall endure for the Initial Term, whereafter it shall continue indefinitely until terminated in accordance with this Agreement.

- 6.2 CARD CONNECT shall be entitled to terminate this Agreement on no less than 30 (thirty) days written notice to the User at any time during the enforcement of this Agreement.

- 6.3 Subject to the cancellation fees imposed upon the User in clause 18 for early termination within the Initial Term, the User shall be entitled to terminate this Agreement on no less than 30 (thirty) days written notice to the CARD CONENCT at any time during the enforcement of this Agreement.

7 FEES

- 7.1 User agrees to pay the amount reflected on CARD CONNECT's invoice and shall not be entitled to claim set off or deduction in respect of any payment due by the User to CARD CONNECT for goods supplied or services rendered.

- 7.2 All payments including but not limited to Merchant Service Fee, which may become due and owing by the User to CARD CONNECT will be paid by way of debit order. In order to give effect to this undertaking, the User by its acceptance of the Agreement provides CARD CONNECT with the necessary authority to process debit orders as provided for in the Agreement. The User's bank account which may be debited for all purposes set out in the Agreement shall be detailed in the Application Form).

- 7.3 All payments due and owing to CARD CONNECT as set out in the Application Form and duly set out under a monthly CARD CONNECT Invoice shall be paid by the User in advance, free of exchange, set-off or deduction, into the Merchant Banking account of CARD CONNECT or its nominee on a month to month basis on or before the last working day of the month, save for the Merchant Banking fee which will be debited on the 1st day of the following month.

- 7.4 Should the debit order for any amounts due under this Agreement be rejected, the User agrees and acknowledges that the payment of these fees will be dealt with on either net settlement basis or CARD CONNECT shall have the right to withhold payment of any monies which may be or become due to the User by CARD CONNECT (the "retained amount") and set off these amount against any amounts which CARD CONNECT may owe or which will become due and payable to the User by CARD CONNECT.

- 7.5 Notwithstanding the foregoing CARD CONNECT shall, within its discretion be entitled to effect a net settlement to the User in respect of all amounts owing to the User under this Agreement. In this regard CARD CONNECT shall pay to the User the amount due to the User less an amount equivalent to the Merchant Service Fee plus VAT thereon.

- 7.6 The User shall be liable for payment immediately upon demand, of an amount equivalent to the amount charged by CARD CONNECT's Bankers in respect of any of the User's cheques, debit orders or other forms of payment, which may be dishonoured by the User's Bankers, where applicable.

- 7.7 Any amount which the User may owe to CARD CONNECT at any time shall be determined and proved by a certificate signed by a manager or director of CARD CONNECT, the User agreeing that such certificate will:
- 7.7.1 until the contrary is proved be prima facie proof of the amount of the User's indebtedness to CARD CONNECT (prima facie means correct on first presentation and unless rebutted or proved to the contrary, would be sufficient to prove a particular proposition or fact)
- 7.7.2 be valid as a liquid document against the User in any competent court for the purpose of obtaining provisional sentence or judgment against the User.
- 7.7.3 The amounts payable by the User to CARD CONNECT at the commencement of the Agreement will escalate annually on the 1 March by an amount equivalent to the Consumer Price Index ("CPI") as published by Statistics South Africa (or its successor in title).
- 7.8 Where the value of transactions processed through the Merchant Terminal(s) per month, , is less than that as declared in the Application Form for 2 (Two) consecutive calendar months, CARD CONNECT reserves the right to increase the Merchant Bank Service Fee, by an amount equal to the rate for the actual value of transactions as determined by CARD CONNECT. Subject at all times to the provisions of clause 7.6.
- 7.9 CARD CONNECT reserves its right to amend the Merchant Service Fee as well as any other fees as dictated to by the Acquiring Bank or any applicable regulated fees as requested by any regulator of any applicable law. If CARD CONNECT changes the Merchant Service Fee, it shall first give the User thirty (30) days' notice of any change, after which the fees will automatically be changed. However, in the event of any changes to any other fee changes dictated to by the Acquiring Bank or any applicable regulator, CARD CONNECT shall best endeavour to give the adequate notice as received from the Acquiring Bank or the applicable regulator. To withdraw your consent, you will need to close your Merchant Account. All balances and all Fees, charges, and payments collected or paid through the CARD CONNECT Services are denominated in South African Rand.
- 7.10 Payment in respect of call outs and/or repairs and/or replacements at CARD CONNECT' usual rates on a time and materials basis, shall be made, at the discretion of CARD CONNECT, either as part of a net settlement/s or by way of debit order.
- 7.11 The User agrees that if any amount owed by it is not settled in full (a) on demand; or (b) within the period agreed above CARD CONNECT will be entitled to, without notice to cancel the Agreement and, subject to CARD CONNECT fulfilling any requirements imposed by law, take possession of any goods delivered to the User, including goods sold and disposed of by the User, which have not been paid for in full, and claim damages, with all other rights remaining strictly reserved.
- 7.12 CARD CONNECT shall have the right to debit the User's bank account at whatever bank this is conducted, with:
- 7.12.1 the value of reversals of invalid electronic Transactions;
- 7.12.2 any refund due to an End User and not rectified by the User;
- 7.12.3 any overpayments due to clerical or electronic errors by either party;
- 7.12.4 the value of Transactions about which a disagreement exists as raised by the End User. In this regard CARD CONNECT shall have a right of full recourse to the User should any disagreement arise between the User and the End User;
- 7.12.5 interest at the Prime overdraft rate charged by Absa Bank, payable by the User to CARD CONNECT on any amount due;
- 7.12.6 its reasonable cost for the processing of any chargeback/s;
- 7.13 CARD CONNECT and/or the Acquiring Bank shall be entitled to retain settlements or any funds due to the User in the case of excessive chargebacks, bankruptcy, fraud or suspected fraud.
- 7.14 The User agrees that CARD CONNECT may debit the User's bank account and/or the User shall be liable for payment immediately upon demand, of an amount equivalent to the amount charged by CARD CONNECT's Merchant Bankers in respect of any of the User's cheques, debit orders or other forms of payment, which may be dishonoured by the User's Merchant Bankers, where applicable.
- 7.15 The User will pay all debits upon presentation, and the User will be responsible for the costs of any cheques drawn by CARD CONNECT.
- 7.16 The User will pay an administration fee for each payment due by the User to CARD CONNECT, which is returned unpaid by the User's bank.
- 7.17 The User will pay an administration fee for clerical errors that happen because electronic Transactions were incorrectly processed, as may be stated from time to time on the User's statements.
- 7.18 The User hereby irrevocably authorises CARD CONNECT to debit the User's nominated bank account number at the bank and branch specified in the Application Form.
- 7.18 The User undertakes to immediately inform CARD CONNECT in writing of any changes in the User's bank account details.
- 8 FAILURE OF THE MERCHANT TERMINAL AND CARD CONNECT SERVICES**
- 8.1 Notwithstanding the provisions of 3 above, should the Merchant Terminal fail, stop working, become inoperative or where any other problem is experienced which renders the Merchant Terminal less useful or not useful at all, then the User must without exception notify CARD CONNECT within twenty-four (24) hours of first becoming aware of the problem, which will include a detailed breakdown of the problem and the date and time when the problem was first experienced.
- 8.2 On receipt of a service related query from the User that the Merchant Terminal has failed, stopped working, or has become inoperative, CARD CONNECT will provide the User with a reference number which must be quoted by the User in all and any subsequent follow up communications with CARD CONNECT. Failure to quote the reference number will result in CARD CONNECT not being able to provide the User with any feedback relating to the complaint.
- 8.3 Once a service related query has been formally logged, a CARD CONNECT representative will contact the User and attempt to resolve and troubleshoot the complaint. Where this is unsuccessful, CARD CONNECT will send a representative to an agreed location at the Users cost, where applicable, subject to the discretion of CARD CONNECT and have the machine swapped out or software upgraded, whichever is deemed necessary.
- 8.4 If CARD CONNECT establishes that the Merchant Terminal has failed due to User fault, neglect or abuse or simply as a result of wear and tear, then CARD CONNECT will charge the User for the call out (CARD CONNECT shall not be obliged to repair the Merchant Terminal), subject to the warranty provisions as set out in Annexure A if applicable, which amount the User shall pay by way of electronic funds transfer to CARD CONNECT on presentation of an invoice alternatively the User authorises CARD CONNECT to recover same by way of debit order.
- 9 LIABILITY AND INDEMNITIES**
- 9.1 The User acknowledges that such risk will include and that it shall be liable for:
- 9.1.1 the risk of any loss or damage, suffered as a result of using the Merchant Terminal and which loss is occasioned as a result of any theft, attempted theft, fraudulent tampering, attempted tampering, vandalism, theft of and/or attempts to access, intercept and steal personal details and /or information or cash from the User, End User or their Merchant Bank accounts;
- 9.1.2 the risk of any loss or damage, suffered due to the theft of the End User's banking details;

- 9.1.3 risk of any loss or damage arising from or to the Merchant Terminal;
- 9.1.4 the risk of any loss or damage, suffered by the User or the End User due to any unauthorised interception and/or monitoring of information by a third party of the End User or User's Merchant Bank or financial institution information;
- 9.1.5 the risk of any loss or damage, suffered due to any unauthorised transaction(s) that were submitted after the End User's Pin Number and/or any other passwords or access codes were entered into the Merchant Terminal;
- 9.1.6 the risk of any loss or damage incurred as a result of the User or the End User failing to take reasonable steps to safeguard their Merchant Bank account and details, their access codes, PIN numbers and/or any failure to follow the steps recommended by their Merchant Bank or by CARD CONNECT, from time to time;
- 9.1.7 the risk of any loss or damage, suffered by the User or End User due to any failed, late or delayed transactions, save where either the User or the End User can show that any loss or damage was due to the gross negligence of CARD CONNECT and /or a defect in the Merchant Terminal which has been caused solely by CARD CONNECT and subject always to the provisions and defences permitted under the CPA;
- 9.1.8 the risk relating to payment of any charges or extra charges by any Cellular Service Provider or any other Governmental or non-Governmental body that has the authority to control the use of the Merchant Terminal and any connections required for the proper functioning of the Merchant Terminal;
- 9.1.9 **the risk of any damage in the case of a network breakdown, system failure or equipment malfunction or damage to facilities caused by power failures or similar events or loss or damage caused by events beyond our control and/or the fact that the User or the End User is not able to gain access to the mobile networks or to utilise it. Including the risk of any loss, damage or claims arising out of any transactions other than electronic transactions or transactions not prescribed in the agreement, suffered by the User in the event that the User processes manual transactions (regardless of whether the card is present or not present). For the avoidance of any doubt, the User indemnifies CARD CONNECT against all risk, loss, damage or claims arising out of processing of manual transactions. Should the User, for any reason, process or have the ability to process manual transactions, the User assumes all liability and all risk associated with such manual transactions.**
- 9.2 For the avoidance of doubt, CARD CONNECT will under no circumstances be liable for any claim, loss, damage, costs and/ or expenses (collectively referred to as Loss) incurred by the User, or an End User, Service Provider or third party, regardless of when or how such Loss, arose and whether in contract, delict or otherwise and regardless of whether the Loss was foreseen or reasonably foreseeable by CARD CONNECT, unless the User or the End User can show that any Loss was due to the gross negligence of CARD CONNECT, caused solely by CARD CONNECT and /or a defect in the Merchant Terminal, and subject always to the provisions and defences permitted under the CPA.
- 9.3 The User agrees to indemnify CARD CONNECT, its officers, employees, associates, and assigns, against any Loss and/ or, claims brought by the User, End User or third parties, or any Merchant Bank or financial institution which arises from the use of the Merchant Terminal or the CARD CONNECT Services, regardless of the kind of loss or damage the party attempting to claim may suffer, including direct, indirect, special, incidental or consequential damages, and whether due to the use of, or inability to use, the Merchant Terminal and CARD CONNECT Services, save where such Loss has been incurred by the User as a result of the gross negligence of CARD CONNECT and/or as a result of a defective Merchant Terminal which defect has been caused solely by CARD CONNECT, and subject always to the provisions and defences permitted under the CPA, and in particular those permitted under section 61 of the CPA.
- 9.4 In addition to and without prejudice to any other limitations of liability provided for in the Agreement and to the fullest extent permitted by applicable law, CARD CONNECT will not be liable to the User for any damages howsoever arising including in respect of any special, indirect, incidental, consequential or punitive damages arising out of or relating to this Agreement, whether resulting from negligence, breach or any other cause. To the extent that a competent court or tribunal or other competent dispute resolution body or authority finally determines, notwithstanding the exclusion contained in this clause, that CARD CONNECT is liable to the User for any damages, CARD CONNECT's liability to the User for any damages howsoever arising shall be limited to the amounts paid by the User under this Agreement in consideration for the CARD CONNECT Services during the immediately preceding 12 (twelve) month period.
- 9.5 Notwithstanding the foregoing, due to the nature of the Merchant Terminal, its uses and the risks attaching to it, which fall completely outside the control of CARD CONNECT, the User acknowledges and accepts that it uses the Merchant Terminal at its own risk and that it agrees to pass such conditions of usage on to the End Users, who too will be compelled to accept that any use of the Merchant Terminal will be at their own risk, and regardless of when or how such loss/damage arose and whether in contract, delict or otherwise and regardless of whether the loss/damage was foreseen or reasonably foreseeable by CARD CONNECT.
- 9.6 For the avoidance of doubt, CARD CONNECT will under no circumstances be liable for any damage, costs or expenses incurred by the User, or an End User, Service Provider or third party, regardless of when or how such loss/damage arose and whether in contract, delict or otherwise and regardless of whether the loss/damage was foreseen or reasonably foreseeable by CARD CONNECT, unless the User or the End User can show that any loss or damage was due to the gross negligence of CARD CONNECT and /or a defect in the Merchant Terminal which has been caused solely by CARD CONNECT and subject always to the provisions and defences permitted under the CPA
- 9.7 The User agrees to indemnify CARD CONNECT, its officers, employees, associates, and assigns, against any claims brought by the User, End User or third parties, or any Merchant Bank or financial institution which arises from the use of the Merchant Terminal or the CARD CONNECT Services, regardless of the kind of loss or damage the party attempting to claim may suffer, including direct, indirect, special, incidental or consequential damages, and whether due to the use of, or inability to use, the Merchant Terminal and CARD CONNECT Services, save where such loss has been incurred by the User or a an End User as a result of the gross negligence of CARD CONNECT and/or as a result of a defective Merchant Terminal which defect has been caused solely by CARD CONNECT as envisaged under section 61 of the CPA, and subject always to the provisions and defences permitted under the CPA, and in particular those permitted under section 61 of the CPA.
- 9.8 10.4 In addition to and without prejudice to any other limitations of liability provided for in the Agreement and to the fullest extent permitted by applicable law, CARD CONNECT will not be liable to the User for any direct damages howsoever arising and neither party shall be liable to the other for any special, indirect, incidental, consequential or punitive damages arising out of or relating to this Agreement, whether resulting from negligence, breach or any other cause. To the extent that a competent court or tribunal or other competent dispute resolution body or authority finally determines, notwithstanding the exclusion contained in this clause, that CARD CONNECT is liable to the User for any damages, CARD CONNECT's liability to the User for any damages howsoever arising shall be limited to the amounts paid by CARD CONNECT under this Agreement in consideration for the CARD CONNECT services during the immediately preceding 12 (twelve) month period.

10 IRREGULAR, INVALID AND FRAUDULENT TRANSACTIONS

- 10.1 When a User raises a transaction dispute, the User must make immediate contact with CARD CONNECT and provide CARD CONNECT with the details of the dispute and a copy of the receipt issued from the Merchant Terminal. CARD CONNECT will then take up the matter on behalf of the User with the acquiring Merchant Bank.
- 10.2 When an End User raises a transaction dispute, the User must make immediate contact with the User's transacting Merchant Bank who is responsible for the End User's account, which parties will be solely responsible for the determination and administration of the dispute.
- 10.3 The User warrants that it will not, directly or indirectly, be a party to, or allow or authorise any transaction to be effected through the Merchant Terminal, by any person who is not an End User and warrants that it will implement and keep in place all necessary security precautions and checks to prevent the above from occurring.
- 10.4 An electronic Transaction will be invalid if:
- 10.4.1 the begin date on the card has not yet been reached or the card has expired;
- 10.4.2 the transaction does not comply with any warranty contained in Clause 3.14 above;
- 10.4.3 a mutilated, defaced, blank or illegible card was accepted;
- 10.4.4 the User does not present the electronic Transaction within the agreed period;
- 10.4.5 at the time when the transaction was done, any term of this Agreement has been violated;
- 10.4.6 the supplied goods and/or services paid for by the End User were received broken or otherwise not suitable for the purpose for which they were sold, and the End User returned the goods;
- 10.5 CARD CONNECT may, in its sole discretion, choose to treat any of the abovementioned Transactions in 11.4 as valid but without prejudice to its right in any following transaction to treat any defect of a similar kind as invalid.
- 10.6 In the case of an invalid Transaction as set out above, CARD CONNECT shall have the right to charge back the said transaction as described in clauses 21, 22, 23, 24 and 25 of annexure B (The Terms and Conditions Governing Use of the Service).
- 10.7 In clauses 10.7 to 10.13, the term "fraudulent transactions" means any transaction which would be fraud (regardless of whether an electronic authorisation code number has been issued by CARD CONNECT to the User) in terms of the common law or statute. This will include any purchase and/or transaction made by someone who is not the authorised End User or the use of a card which has not been issued by a bona fide (in good faith) card issuer.
- 10.8 The User shall not process electronic Transactions that it knows or should have known were fraudulent or unauthorised by the End User. The User agrees that it shall be responsible for the actions of its employees at all times.
- 10.9 CARD CONNECT has the right to debit the User's bank account at any time with the value of all fraudulent transactions electronically posted by the User.
- 10.10 CARD CONNECT reserves the right to immediately terminate this Agreement if fraud is committed or if within its sole and absolute discretion it determines that excessive fraudulent Transactions or Transaction values have been processed by the User. For the avoidance of any doubt, notwithstanding anything to the contrary contained in this Agreement it is hereby specifically agreed that Card Connect shall be entitled to immediately terminate this Agreement if fraud is attempted or committed on the Merchant Terminal that is in the possession of the User or if transactions have not been processed in accordance with the provisions of this Agreement irrespective of the User's knowledge or involvement therewith.
- 10.11 CARD CONNECT shall have the right to conduct physical inspections and investigations at the Premises or at any other

place that CARD CONNECT may consider relevant to the investigation while handling claims of End Users and when CARD CONNECT investigates suspected fraud. If CARD CONNECT suspects any irregularities during such investigations, it shall have the right to deactivate the Merchant Terminal.

- 10.12 Without prejudice to any of its other rights in terms hereof, CARD CONNECT shall be entitled to delay the settlement of any transaction under investigation for fraud for the duration of the investigation.
- 10.13 The User warrants that it will not, directly or indirectly, be a party to, or allow or authorise any transaction to be effected through the Merchant Terminal, by any person who is not an End User and warrants that it will implement and keep in place all necessary security precautions and checks to prevent the above from occurring.
- 10.13.1 For avoidance of any doubt, "Chargeback" means a disputed transaction, initiated by the cardholder who claims they were not aware of the transaction processed on their card at the Merchant Terminal. These transactions may be disputed up to 180 days (local card) 540 (international card) from the date of the transaction.
- 10.13.2 CARD CONNECT further reserves the right to withhold any transaction deemed to have been processed not in accordance with any provision of this Agreement.
- 10.13.3 Should the Agreement be terminated due to any fraudulent transactions, excessive chargebacks or breach of any provisions of this Agreement, CARD CONNECT reserves the right, to its discretion to list the User on the Member Alert to Control High-Risk (MATCH), watch list accessed and controlled by various card associations.

11 INSURANCE

- 11.1 The User acknowledges and accepts the various risks which it may be exposed to in consequence of this Agreement and which may arise in consequence of its use of the Merchant Terminal and the CARD CONNECT Services. The User should where possible to take out insurance, with a reputable insurance service provider acceptable to CARD CONNECT, to cover all or any of these risks, which cover should include public liability cover, loss of cash where it's shown to be solely at fault, the costs which may have to be incurred to repair and or replace any Merchant Terminal, excluding reasonable wear and tear and to implement any additional security measures that may be required by the User's insurers from time to time. Should the Merchant Terminal not be insured, the User remains liable for the cost or replacing and/or repairs to the Merchant Terminal and indemnifies CARD CONNECT against such costs.

12 INDEPENDENT CONTRACTORS

- 12.1 Both CARD CONNECT and the User are acting independently as independent service providers and not as partners, and under no circumstances will their respective employees be deemed to be employees of the other for any purpose.
- 12.2 CARD CONNECT may not, as agent or in any other capacity contract on behalf of or make any commitments of any kind on behalf of the User except to the extent and for the purposes expressly provided for under the Agreement.
- 12.3 The User may not, as agent or in any other capacity contract on behalf of or make any commitments of any kind on behalf of CARD CONNECT except to the extent and for the purposes expressly provided for under the Agreement.

13 RESTRICTIONS

This clause prohibits the User from using any competitive Merchant Terminal, CARD CONNECT Services or Service Provider which provision CARD CONNECT confirms is not

anti-competitive but is designed to protect the interests of both the User and CARD CONNECT.

- 13.1 The User is not allowed to subscribe to or use any data processing service for processing the Transactions on the Merchant Terminal other than the data processing service determined by CARD CONNECT from time to time.
- 13.2 The User is not allowed to make use of the services of another acquirer of Transactions, Merchant Bank or financial institution for the purpose of acquiring Transactions other than the institution(s) used by CARD CONNECT from time to time.
- 13.3 The User shall not display any signage on the Merchant Terminal of whatsoever nature, relating to the Merchant Terminal other than signage prescribed by CARD CONNECT.

14 UNCONTROLLABLE EVENTS PREVENTING PERFORMANCE

- 14.1 Where either party is unable to perform their obligations as set out under the Agreement and the non-performance is wholly or partly due to an Uncontrollable Event then, for so long as the Uncontrollable Event in question remains in place, the performance only of such obligations unable to be performed by only the party who is unable to perform shall be suspended. The existence of an Uncontrollable Event shall not amount to a breach of this Agreement.

15 THE SERVICE OF LEGAL NOTICES AND OTHER DOCUMENTS

- 15.1 The User will send all communications, and any legal notices to CARD CONNECT by either post, fax, e-mail, SMS or other similar technology at the selected addresses detailed below which addresses the User chooses as its domicilium citandi et executandi. (place where documents may be served):
 Legal Notices:
 CARD CONNECT, a division of Main Street 1723 (Pty) Ltd
 ATT: Legal
 First Floor, Block D, Sable Square,
 c/o Bosmansdam and Ratanga Road,
 Milnerton
 Cape Town
 7441
- 15.2 CARD CONNECT will send all communications, including CARD CONNECT's monthly invoice, statement and any legal notices to User by either post, fax, e-mail, SMS or other similar technology at the selected addresses detailed below which addresses User chooses as its domicilium citandi et executandi. (place where documents may be served)
 Invoices and statements and general communication:
 Postal Address - see Application form
 Legal Notices:
 Physical Address - see Application form
- 15.3 Should the addressees reflected above change, the respective party will have a duty to update the details and give written notice to the other of such change.
- 15.4 Any notice given and any payment made by either party to the other ("the addressee") which is delivered:
 - 15.4.1 by hand during the normal business hours of the addressee at the addressee's domicilium for the time being shall be deemed, until the contrary is proved, to have been received by the addressee at the time of delivery;
 - 15.4.2 by pre-paid registered post at the addressee's domicilium for the time being shall be deemed, until the contrary is proved, to have been received by the addressee on the next but 7 (seven) days after the posting thereof;
 - 15.4.3 by facsimile during the normal business hours of the addressee at the addressee's domicilium (facsimile number recorded in 17.1 or 17.2 above) for the time being shall be

deemed, until the contrary is proved, to have been received by the addressee on the date of transmission;

- 15.4.4 electronically, simultaneously with the sender initiating the electronic delivery of that notice (email address recorded in 17.1 or 17.2 above) unless the sender's machine receives a report indicating the notice was not delivered.

16 PERSONAL INFORMATION

- 16.1 The User acknowledges that CARD CONNECT will by virtue of the Agreement come into possession of the User's Personal Information.
- 16.2 The User acknowledges and agrees that CARD CONNECT may use, process and or transfer (including intra-group transfers) the User's Personal Information:
 - 16.2.1 in connection with the provision of the CARD CONNECT Services;
 - 16.2.2 Third Party verification organisations for purposes of vetting the User's application for CARD CONNECT Services;
 - 16.2.3 to incorporate the User's Personal Information into the databases controlled by Main Street 1723 (Pty) Ltd for purposes of administration, invoicing and statements, verification of User's identity and solvency by using any credit bureau or a government agency, fraud detection and prevention, revenue analysis and reporting, and
 - 16.2.4 to communicate to the User by voice, letter, fax or email regarding products and services of CARD CONNECT or its Affiliates. The User may withdraw consent for the use, processing or transfer of the User's Personal Information, as set out above by written notice to CARD CONNECT, unless such Personal Information is required for; invoicing and statements, fraud investigations, in order to comply with any statutory obligation or regulatory requirement or court order.
 - 16.2.5 CARD CONNECT undertakes to treat the User's Personal Information as confidential and will take all reasonable steps to ensure such protection.
- 16.4 CARD CONNECT will only disclose the User's Personal Information if it is under a legal duty to do so or where the User gives its consent to such disclosure.
- 16.5 The User undertakes to treat CARD CONNECT's Personal Information as confidential and will take all reasonable steps to ensure such protection.
- 16.6 The User will only disclose CARD CONNECT's Personal Information if it is under a legal duty to do so or where CARD CONNECT gives its consent to such disclosure.
- 16.7 In order to maintain a relationship with the User, the User expressly agrees that CARD CONNECT as part of their credit rating and account maintenance processes may obtain or check the User's Personal Information using another parties' information such as a credit bureau or a government agency and to this end disclose to any of these parties the User's Personal Information.
- 16.8 Notwithstanding anything to the contrary contained in the Agreement, in order to keep up to date with the various services and products offered by and provided by CARD CONNECT, any of its Subsidiaries or business partners, the User hereby agrees that CARD CONNECT may disclose the User's Personal information for direct or other types of marketing and / or promotion purposes.
- 16.9 The User has the right to object, in the prescribed manner, to CARD CONNECT processing Personal information in terms of this 16.8 above. On receipt of your objection CARD CONNECT will place a hold on any further processing in terms of clause 16.8.

17 BREACH

- 17.1 Breach of the Agreement will include:
 - 17.1.1 where the User or CARD CONNECT do not comply with any of the terms and conditions of this Agreement;

- 17.1.2 where the User or CARD CONNECT do not perform, when due, their respective obligations under the Agreement;
- 17.1.3 where the User commits any act of insolvency, or being a natural person, assigns, surrenders or attempts to assign or surrender his estate; or allows a default judgment to remain unsatisfied for a period of seven Days from date of grant, or be refused rescission within twenty court Days of any default judgment; or is sequestrated or placed under judicial management or wound up, whether provisionally or finally;
- 17.1.4 where the User abandons or fails to secure the Merchant Terminal;
- 17.1.5 where the User or CARD CONNECT compromises with any of its creditors or endeavour or attempt to do so;
- 17.1.6 where the User or CARD CONNECT makes any incorrect or untrue statement or representation in connection with the Agreement or its financial affairs or any particulars relevant thereto;
- 17.1.7 where the User or CARD CONNECT breaches any warranty given in terms of the Agreement;
- 17.1.8 where the User does or allows to be done anything that might prejudice CARD CONNECT' rights under the Agreement.
- 17.2 Should the User breach the Agreement, CARD CONNECT will have the right, without prejudice to any other rights, which it may have in law, to inform the User of the breach and give the User 20 (twenty) Days to rectify the breach and failing rectification, CARD CONNECT will have the right to cancel the Agreement immediately;
- 17.3 In addition, CARD CONNECT will have the right to suspend the CARD CONNECT Services for the period of the breach.
- 17.4 Should CARD CONNECT breach the Agreement, the User will have the right, without prejudice to any other rights which it may have in law, to inform CARD CONNECT of the breach and give CARD CONNECT 20 (twenty) Days to rectify the breach and failing rectification, the User will have the right to cancel the Agreement immediately.

18 CONSEQUENCES OF A TERMINATION BY CARD CONNECT

- 18.1 In the event of the Agreement being terminated by CARD CONNECT as a result of a breach by the User, CARD CONNECT will have the right to:
 - 18.1.1 retain all amounts already paid by the User;
 - 18.1.2 claim all arrear amounts, which are due and owing to CARD CONNECT by the User up to date of termination;
 - 18.1.3 claim immediate payment as pre-estimated liquidated damages the following amounts:
 - 18.1.4 upon termination within Twelve (12) months from the Operational Date, the User will be liable for a cancellation fee in the amount of R4000.00;
 - 18.1.5 upon termination within Twenty-four (24) months from the Operational Date, the User will be liable for a cancellation fee in the amount of R2500.00;
 - 18.1.6 should the Merchant Terminal not be returned by the User within 7 (Seven) Days of written request to do so, the User will be liable to pay a replacement fee for the Merchant Terminal in the amount of R4 000.00;
 - 18.1.7 should CARD CONNECT be required to collect the Merchant Terminal from the User's premises, User will be liable for a R399 collection fee in addition to the cancellation fee;
 - 18.1.8 claim in the alternative to the right under clause 18.1.1 and 18.1.2, payment of all direct and indirect damages resulting from the breach by the User, including but not limited to loss of revenues by CARD CONNECT, all legal costs and disbursements incurred by CARD CONNECT as a result of the breach, including legal costs on the attorney and own client scale, costs incurred in collecting or endeavouring to collect all or any amounts payable by User; collection commissions, storage charges, all of which will be payable on demand.

- 18.1.9 Where the User rents the Merchant Terminal or where the User has not paid the full purchase price for the Terminal, upon termination of the Agreement for whatever reason CARD CONNECT will be allowed to access the User's Premises for purposes of removing the Merchant Terminal, which will be done at the cost of the User and added to any damages claim referred to under this clause 17. Any damages incurred to the Premises as a result of the removal will be for the User's account- CARD CONNECT expressly advising that it will not be liable for these, if any, amounts.

19 JURISDICTION AND APPLICABLE LAWS

- 19.1 In the event of the Parties not utilising the dispute resolution forums available to them under the CPA (where applicable), and one of the parties instead elects to avail itself of its common law rights, then in such an event, the parties both consent and submit to the jurisdiction of the Magistrates' Court having jurisdiction over their person in respect of all proceedings in connection with the Agreement, notwithstanding that the amount claimed or the value of the matter in dispute exceeds such jurisdiction.
- 19.2 Notwithstanding the provisions of clause 18.1, either party may at their election institute any proceedings in connection with the Agreement in any division of the High Court of South Africa having jurisdiction.

20 CESSATION AND DELEGATION

- 20.1 The User may not sell, cede, assign, delegate or in any other way alienate or dispose of any or all of its rights and obligations under the Agreement including the Merchant Terminal without the prior written approval of CARD CONNECT.
- 20.2 CARD CONNECT shall be entitled to sell, cede, assign, delegate, alienate, dispose or transfer any or all of its rights and obligations under the Agreement to any of its affiliates or to any third party without first obtaining the consent of the User, save that it undertakes to give the User reasonable notice of any such cession, assignment or transfer, whatever the case may be.

21 SURETYSHIP

- 21.1 By signing the Application Form, the person doing so on behalf of the User ("the Surety") acknowledges that s/he binds himself jointly and severally as surety/ies and co-principal debtors in solidum for all amounts which are now or might in the future become payable by User, including its successors-in-title, assigns, to CARD CONNECT or its cessionary in the event of a cession in terms of the said Agreement arising out of or incidental to this Agreement, both current and future and from any other cause howsoever arising.
 - 21.2 The Surety hereby expressly renounces the benefits of the following legal exceptions:
 - 21.2.1 Excussion: the right to require CARD CONNECT to proceed first against the User for payment of any debt owed to CARD CONNECT before proceeding against the Surety.
 - 21.2.2 Division of accounts: the defense that the accounts were not examined by the Surety.
 - 21.2.3 Cession of action: the right to require CARD CONNECT to give cession of the action for payment of debts to the Surety before any action against the Surety is taken.
 - 21.2.4 The right to an accounting from CARD CONNECT.
 - 21.2.5 No cause of debt: the defense that there are no grounds for a debt.
 - 21.2.6 Error in calculation: the right to dispute the manner in which the indebtedness has been calculated or that it has been calculated incorrectly.

- 21.3 The Surety consents to the jurisdiction of the Magistrates' Court provided that CARD CONNECT shall be entitled to institute action at a division of the High Court of South Africa having jurisdiction.
- 21.4 For the purpose of proving any amount due by the Surety to CARD CONNECT, a certificate issued by a person who describes himself as a manager/credit manager of CARD CONNECT and whose position need not be proved, shall constitute prima facie evidence of the amount owing by myself/us to CARD CONNECT arising from this Suretyship executed by the Surety for purposes of judgment.
- 21.5 The Surety agrees to make payment of any legal costs that may be awarded against the Surety on an attorney and own client scale.
- 21.6 The Surety choose as his domicilium citandi et executandi for all purposes arising out of this suretyship as the address/es set out for the User in the Application Form. Clause 14 hereof shall apply hereto.
- 21.7 The Surety warrants and represents that he has received and will continue to receive adequate value for the granting of this suretyship.
- 21.8 The Surety agrees that his obligations in terms of this suretyship shall not be affected by any waiver, compromise or other variation of the User's indebtedness to CARD CONNECT, from time to time.
- 21.9 The Surety agrees that no termination, cancellation, limitation or variation of his obligations in terms of this suretyship shall be of any force or effect unless it is in writing and signed by User and CARD CONNECT or its cessionary in the event of a cession in terms of the Agreement.

22 WHOLE AGREEMENT

- 22.1 The Agreement constitutes the entire Agreement between parties, which Agreement shall supersede all previous agreements, negotiations, commitments and writings.
- 2.2 The Agreement including this clause may not be changed or modified unless the change is negotiated and is acceptable to both parties, which change is to then be reduced to writing and signed by both parties.
- 22.3 All documents to which these terms and conditions are attached, including but not limited to the Schedule s, shall form part of and shall be integral to the Agreement.
- 22.4 Should CARD CONNECT supply the User with an additional or a replacement Merchant Terminal, the Agreement and all its terms and conditions will apply equally (mutatis mutandis) to any additional or replacement Merchant Terminal.

23 WAIVER

- 23.1 No indulgence, leniency or extension of time which either party may grant or show to the other (the waiving party) will prejudice or preclude the waiving party from exercising any of its rights, even where waived, in the future.

(Explanation - While CARD CONNECT may give you extra time to comply with your obligations or decide not to exercise some of its rights, the User must not assume that this means that CARD CONNECT cannot apply its rights at a later stage or vice versa).

24 REPRESENTATIONS

- 24.1 CARD CONNECT has not made any representations or given any legal statements to the User other than those contained in the Agreement and the User has not relied on any representations in entering into the Agreement other than those contained in the Agreement.

25 INTERPRETATION AND SEVERABILITY

- 25.1 All words and phrases referring to one gender include each of the other genders and the singular includes the plural and vice versa where the context requires. A reference to natural persons shall include a reference to bodies corporate and other legal personae and vice versa.

- 25.2 Each phrase, sentence, paragraph and clause in the Agreement is severable, notwithstanding the manner in which they may be linked together or grouped grammatically and if in terms of any judgment or order any phrase, sentence, paragraph or clause is found to be defective or unenforceable for any reason the remaining phrases, sentences, paragraphs and clauses as the case may be will nevertheless be and continue to be of full force and effect.

- 25.3 Where figures are referred to in numerals and words, if there is any conflict between the two, the words shall prevail

26 VAT

- 26.1 All amounts reflected in the Agreement and the Schedules will exclude Value Added Tax (VAT).

27 COMPLIANCE WITH APPLICABLE LAWS

- 27.1 The User will comply all respects with the laws of the Republic of South Africa, including but not limited to the Financial Intelligence Centre Act 38 of 2001, the Prevention of Organised Crime Act 121 of 1998, the Consumer Protection Act, 2008 and the Prevention of Counterfeiting of Currency Act 16 of 1965, and any other law, enactment or statute relevant to the business of the User.

Annexure A - Terminal Specific Terms and Conditions

This section sets out the terms and conditions that are specific to the type of the Merchant Terminal that is, POS and / or Mobile Terminal with or without internal communication as selected in the Application Form.

1. DEFINITIONS:

- 1.1. "CARD CONNECT POS Terminal" means a desktop or mobile merchant terminal, that is delivered and installed at, or couriered to the Premises upon the User entering into the Agreement with CARD CONNECT.

2. TERMS AND CONDITIONS SPECIFIC TO CARD CONNECT POS TERMINAL

The terms and conditions only relate to the use of the **POS Terminal** by the User and the provision of the related CARD CONNECT Services by CARD CONNECT.

2.1. Delivery and installation

- 2.1.1. In order to facilitate provision of the POS Terminal and CARD CONNECT Services, the User agrees to accurately complete all of the documentation which is reasonably required by CARD CONNECT to facilitate the installation of the POS Terminal and provision of the CARD CONNECT Services. the

- 2.1.2. CARD CONNECT has inspected the Premises where the POS Terminal will be installed and primarily used from and has confirmed that the Premises are suitable for the installation and use of the POS Terminal and CARD CONNECT Services.

- 2.1.3. The User confirms and warrants that it is the owner of the Premises where the POS Terminal will be installed and from which it will be operated or that it alternatively holds a valid lease for the Premises, which lease duration is of equal or greater duration than the duration of the Agreement. Where the Premises are owned by any third party, the User will obtain all necessary approvals and consents required for the use of the Merchant Terminal on such Premises from the landlord.

- 2.1.4. The User will obtain all necessary approvals and consents, licenses, certificates and exemptions including any consent to install and operate the POS Terminal and to display any advertising and signage in respect of the POS Terminal from the landlord where the Premises are leased and /or from any local authority or regulator, where applicable prior to installation of the POS Terminal.

- 2.1.5. CARD CONNECT will at a conveniently agreed time, either itself or through a Service Provider acting on its behalf deliver the POS Terminal to the Premises or User's selected delivery address, at the User's risk and cost, which costs are set out in the Application Form. In the event that the User is not available to accept delivery at the pre-arranged time and place, CARD CONNECT shall be entitled to charge and recover from the User all costs incurred by CARD CONNECT as a result thereof.

2.2. Risk and Ownership of the POS Terminal

- 2.2.1. Notwithstanding anything to the contrary contained under the Agreement, CARD CONNECT will at all times own and remain the owner of the POS Terminal except where the POS Terminal has been sold by CARD CONNECT to the User

- 2.2.2. The User will keep the POS Terminal free of all liens and encumbrances. In plain language, liens and encumbrances include a burden, obstruction, or impediment on property that lessens its value or makes it less marketable. An encumbrance (also spelt incumbrance) is any right or interest that exists in someone other than the owner of an estate and that restricts or impairs the transfer of the estate or lowers its value. This

might include a lien, a mortgage, a mechanic's lien, or accrued and unpaid taxes. A lien will include the right to retain the lawful possession of the property of another until the owner fulfils a legal duty to the person holding the property, such as the payment of lawful charges for work done on the property. A mortgage is a common lien.

- 2.2.3. Should the POS Terminal become damaged, the User will notify CARD CONNECT immediately of such damage. The User will thereafter within 24 hours, give CARD CONNECT written details of any such damage. CARD CONNECT will best endeavour to repair or replace the damaged POS Terminal. CARD CONNECT has the discretion not to repair or charge a replace value for the POS Terminal should the damage be as a result of the User's negligence or wilful misconduct.

- 2.2.4. Should the POS Terminal become lost or stolen, the User will notify CARD CONNECT immediately of such loss or theft. The User will thereafter within 24 hours, give CARD CONNECT written details of any such loss or theft. Notwithstanding any clause to the contrary, the User will claim from his Insurance the value of the lost or stolen terminal, which value will be used to reimburse CARD CONNECT. CARD CONNECT will endeavour to replace the lost or stolen terminal. For avoidance of any doubt, CARD CONNECT will only replace the lost or stolen terminal following the full payment of the replacement value.

- 2.2.5. In all cases, as regards any report concerning a theft, loss, or case of damage, CARD CONNECT will provide the User with a reference number, which must be quoted by the User in all and any subsequent follow up communications with CARD CONNECT. Failure to quote the reference number will result in CARD CONNECT not being able to provide the User with any feedback relating to the matter.

- 2.2.6. Once CARD CONNECT has received all details from the User as regards the loss or damage, CARD CONNECT, at its sole discretion, will use its reasonable efforts to repair and/or to replace the POS Terminal within a reasonable period.

- 2.2.7. Notwithstanding anything to the contrary contained in this Agreement, where the POS Terminal has been previously lost, stolen or damaged (in other words on more than one occasion), and CARD CONNECT has received notification from the User that the POS Terminal has been lost, damaged or stolen once again, CARD CONNECT will at its sole and absolute discretion decide whether it will repair, replace or re-install the POS Terminal at the Premises. Should CARD CONNECT ascertain that the User is a high risk User, and accordingly elect not to replace, re-install or repair the POS Terminal and accordingly elects as a result to terminate the Agreement, CARD CONNECT will notify the User in writing, within a 10 (ten) Day period, of such election and decision and the reasons therefore and the Agreement will thereafter be deemed to have come to an end, this election being without prejudice to any rights which CARD CONNECT may have in consequence of its election to terminate the Agreement.

- 2.2.8. In the event of any re-installation, replacement or repair, the User will allow CARD CONNECT all reasonable access to the Premises during the User's ordinary business hours for the purpose of installing or repairing the Merchant Terminal and the provisions of this Agreement relating to the installation of the Merchant Terminal will apply in the same manner (mutatis mutandis) to the replacement, re-installation and/or uplifting of the POS Terminal.

2.3. Fees

- 2.3.1. The POS terminals will be supplied to the User on a rental basis. The rental amount of the POS Terminal is set out in the Application Form.

- 2.3.2. Payment of the rental will be in arrears, on the 1st (first) of every month for the duration of the agreement by way of debit order and the User expressly authorises CARD CONNECT to process such amount through the bank account as provided in the Application Form.
- 2.4. Relocation or Removal
- 2.4.1. Where the User is forced to relocate and/or move from the Premises, it will have to apply for and obtain written permission from CARD CONNECT before the POS Terminal can be relocated, which application must be made in writing at least 1 (one) month before the anticipated relocation or removal of the POS Terminal.
- 2.4.2. On receipt of the application CARD CONNECT may at its sole and absolute discretion, consent to the requested removal, provided always that the removal is to a site or alternative Premises which CARD CONNECT has in writing confirmed is suitable and acceptable for the installation of the POS Terminal.
- 2.4.3. CARD CONNECT will have the right to attach any conditions to any relocation and/or removal, of the POS Terminal including any variation or adjustment of the fees and charges detailed under this Agreement.
- 2.4.4. CARD CONNECT or its appointed Service Provider will be the only party entitled to effect such removal and relocation and any consequential installation, which costs will be paid for by the User, on demand and by way of debit order.
- 2.4.5. The Agreement, save for the description of the new Premises and any changes to the fee and charges, will apply to any relocation.
- 2.4.6. Any relocation or removal, which is not done in accordance with this clause, will be a material breach of the Agreement.
- 2.5. Consequences of Termination of the Agreement
- 2.5.1. Subject to clause 18 of the Standard Terms and Conditions, the User shall return to CARD CONNECT the POS terminal upon termination of the Agreement. Should the POS Terminal not be returned by the User within 7 (Seven) Days of written request to do so, the User will be liable to pay a replacement fee for the POS Terminal.
- 2.5.2. Should CARD CONNECT be required to collect the POS Terminal for whatever reason, CARD CONNECT will be allowed access to the Premises for the purposes of removing the POS Terminal, which will be done at the cost of the User and added to any damages claim referred to under clause 17 of the Standard terms and Conditions, from the User's Premises.
- 2.5.2.1. User will be liable for a collection fee.
- 2.5.2.2. Any damages incurred to the Premises as a result of the removal will be for the User's account- CARD CONNECT expressly advising that it will not be liable for these, if any, amounts.
- 2.5.3. All amounts stated above are exclusive of VAT and payable within 7 (Seven) Days of written request to do so.
- 2.5.4. In the event of the Agreement being terminated by the User as a result of a breach by CARD CONNECT, the User will allow CARD CONNECT access to the Premises for the purpose of removing the Merchant Terminal, which will be done at CARD CONNECT's own cost and expense.
- 3. TERMS AND CONDITIONS SPECIFIC TO ZIP ZAP POS and MPOS TERMINAL**
- The terms and conditions only relating to the use of the Mobile POS Terminal by the User and the provision of the related CARD CONNECT Services by CARD CONNECT.
- 3.1. Delivery
- 3.1.1. MPOS terminal will be delivered by courier, or such other means as CARD CONNECT may elect, together with the User guides for use of the MPOS terminal to the User upon full payment of the purchase price.
- 3.1.2. Once the MPOS Terminal has been delivered to the User and the Terminal is fully operational, CARD CONNECT will provide the User with the CARD CONNECT Services, which in summary will include the following services:
- 3.1.2.1. Data processing services which are necessary for the correct functioning of the MPOS Terminal, the User acknowledging that it shall not be entitled to determine or select any specific data processing services as these will be selected by CARD CONNECT in its sole discretion;
- 3.1.2.2. Routing the ZipZap POS and MPOS Terminal Transactions to the User's and/or the End User's bank for processing; and
- 3.1.2.3. At its discretion and for good cause or out of necessity add, delete or change the MPOS Terminal network, any Service Provider and/or any bank affiliations as it deems appropriate and on due notice where applicable, to the User.
- 3.2. Compatible Mobile Devices applicable to the MPOS and ZipZap Merchant Terminals:
- 3.2.1. Your Merchant Account permits you to accept payment card transactions on a compatible mobile device. Devices modified contrary to the manufacturer's software or hardware guidelines, including but not limited to disabling hardware or software controls-sometimes referred to as "jail breaking"-are not compatible mobile devices. You acknowledge that the use of a modified device to use the CARD CONNECT Services is expressly prohibited, constitutes a violation of the terms of this agreement, and is grounds for termination of your Merchant Account. Card Connect does not warrant that the CARD CONNECT Services will be compatible with your mobile device or third party carrier.
- 3.2.2. Your use of the CARD CONNECT Services may be subject to the terms of your agreements with your mobile device manufacturer. The CARD CONNECT Services are currently available on Android and iOS devices. Older versions of software/handsets may not be supported. New versions of software/handsets will be supported as soon as is reasonably possible.
- 3.2.3. In terms of the ZipZap POS Terminal:
- 3.2.3.1. where applicable in terms of the delivery documentation the User will receive on the Occupation Date, the User shall be responsible for the downloading of the CARD CONNECT Services application as set out in clause 3.2.1 and ensuring that the latest version of the CARD CONNECT Services application is downloaded;
- 3.2.3.2. the User shall also be responsible for ensuring that the User's device is compatible with the CARD CONNECT Services application;
- 3.2.3.3. all data costs associated with the use of the CARD CONNECT Services application shall be for the account of the User;
- 3.2.4. In terms of the MPOS Terminal:
- 3.2.4.1. where the MPOS Terminal makes use of a SIM card form communication, in terms of the delivery documentation the User will receive on the Occupation Date, all data costs

associated to the processing of Transactions on the device, shall within the first 12 month period of the Agreement, be included in the purchase price of the device; and

3.2.4.2. thereafter, the User shall be liable for the annual data fees and the User hereby authorises CARD CONNECT to debit the User's account with R240.00 (two hundred and forty Rand) for every 12 month period for the duration of the Agreement.

3.3. Risk and Ownership

3.3.1. All risk in and to the MPOS Terminal and related services shall pass to User on delivery to the User, however, ownership shall remain vested in CARD CONNECT until the full purchase price has been paid to CARD CONNECT.

3.4. Fees

3.4.1. The MPOS Terminal will be proceed on a once-off purchase price set out in the Application Form.

3.4.2. Payment of the once-off purchase price is strictly in advance and shall be due upon receipt of invoice and before delivery of the terminal.

3.5. Warranty

Standard Warranty:

3.5.6. If the MPOS Terminal is, defective, CARD CONNECT will:

3.5.6.1. Replace the MPOS Terminal subject to clause 3.5.2 of this Annexure A; or

3.5.7. When the MPOS Terminal has been accepted for return, the following terms apply, subject to the User being liable for collection and/or delivery costs:

3.5.7.1. if the original packaging is unopened, there will be no charge;

3.5.7.2. if the MPOS Terminal is in its original condition and repacked in the original packaging, a reasonable amount may be charged for:

3.5.7.3. use of the MPOS Terminal; and

3.5.1. CARD CONNECT warrants that the MPOS Terminal will be free from apparent defect as far as workmanship is concerned.

3.5.2. If a defect arises within 6 (Six) months from date of delivery, and is proven by way of a written report, then CARD CONNECT will replace the MPOS Terminal, with the User to pay any amounts that may be due in law, provided the device is in its original packaging and returned to CARD CONNECT at the User's costs. After the expiry of the 6 month period, the User will be obligated to purchase a new device.

3.5.3. CARD CONNECT shall in no way be liable for any damage caused to the MPOS Terminal through misuse, negligence, misconduct by the User.

3.5.4. In the event of any damage to a device due to gross negligence of the User such as but not limited to water damage, damage screen, the User shall purchase a new device or be liable for the costs of repairs to the damaged device where applicable.

Warranties in terms of the Consumer Protection Act 68 of 2008

3.5.5. CARD CONNECT warrants that the MPOS Terminal is suitable for its intended purpose, free from defects and will operate the way it was designed if the User carries out all of its obligations in terms of the agreement.

3.5.7.4. Necessary costs associated with restoration of the MPOS Terminal for restocking.

3.5.8. CARD CONNECT will provide purchasers with the above remedies only as far as is provided for in the Consumer Protection Act 68 of 2008 as far as the warranties in this clause are concerned.

3.6. Return of Goods and Order Cancellation

3.6.1. Subject to clause 18 of the Standard Terms and Conditions, CARD CONNECT is under no obligation to accept the return of goods, which it may do so within its own discretion and upon terms and conditions to be agreed upon between the parties, except if User has a right in terms of any consumer law to return goods.

ANNEXURE B

THE TERMS AND CONDITIONS GOVERNING USE OF THE SERVICE

1 Merchant Account Registration

You must open an account with CARD CONNECT (a "Merchant Account") in order to use the CARD CONNECT Services. Our registration process will ask you for information including your name and other personal information. You must provide accurate and complete information in response to our questions. You must also keep the information that you provide up to date.

2 Software

Where applicable and subject to the applicable Merchant Terminal, the software associated with CARD CONNECT Card Reader is part of the CARD CONNECT Services. Among other things, the software enables you to access and use the CARD CONNECT Services. When you install the software, you will be asked to create your user profile and you will be required to establish a Merchant Account. You must complete this and other processes in order to access any funds that you accept through the CARD CONNECT Services. You must install any and all software updates to continue to use the CARD CONNECT Services. For the sake of clarity, this clause 2 is not applicable to all Merchant Terminals.

3 Verification and Inspection

If your request to open a Merchant Account is approved, CARD CONNECT may request additional information from you at any time. CARD CONNECT may ask you to present invoices from your suppliers, a government issued identification such as a passport or driver's license, or a business license, or any FICA related documentation. This is a non-exhaustive list. CARD CONNECT may also ask for permission to inspect your business location. If you refuse any of these requests, your Merchant Account may be terminated. We reserve the right to suspend or terminate the Merchant Account of any User who provides inaccurate, untrue, or incomplete information, or fails to comply with the account registration requirements.

4 Your Merchant Account

4.1 By creating a Merchant Account, you confirm that you are either a legal resident of the Republic of South Africa, a South African citizen, or a business entity authorized to conduct business by the state in which it operates. The Services and your Merchant Account may only be used in South Africa. You may not export the Services directly or indirectly.

4.2 By creating a Merchant Account, you also confirm that you will not accept payments in connection with the following businesses or business activities: (1) any illegal activity, (2) buyers or membership clubs, (3) credit counselling or repair agencies, (4) credit protection or identity theft protection services, (5) direct marketing or subscription offers or services, (6) infomercial sales, (7) internet/mail order/telephone order pharmacies or pharmacy referral services (where fulfilment of medication is performed with an internet or telephone consultation, absent a physical visit with a physician including re-importation of pharmaceuticals from foreign countries), (8) multi-level marketing businesses, (9) inbound or outbound telemarketers, (10) prepaid phone cards or phone services, (11) rebate based businesses, (12) up-sell merchants, (13) bill payment services, (14) betting, including lottery tickets, casino gaming chips, off-track betting, and wagers at races, (15) financial institutions offering manual or automated cash disbursements, (16) financial institutions offering merchandise and services, (17)

sales of money-orders or foreign currency by non-financial institutions, (18) wire transfer money orders, (19) high-risk merchants, including telemarketing merchants, (20) service station merchants, (21) adult entertainment oriented products or services (in any medium, e.g., internet, telephone or printed material), (22) internet/mail order/telephone order firearm or weapon sales, (23) internet/mail order/telephone order cigarette or tobacco sales, (24) drug paraphernalia, (25) occult materials, (26) hate products, (27) escort services, and (28) bankruptcy attorneys (29) purchase of shares on the Johannesburg Stock Exchange.

4.3 By accepting this Agreement, you confirm that you will satisfy these requirements.

4.4 Your Merchant Account permits you to offer loyalty programs to your customers. If you offer such a loyalty program, you (and not CARD CONNECT) are responsible for ensuring that your program and any associated rewards are compliant with applicable laws, including consumer laws including laws governing prepaid cards and special offers such as rebates and coupons. You agree to make available to your customers any terms and conditions applicable to your loyalty program.

5 Our Role

5.1 The CARD CONNECT Services allow you to accept payments, including card-based payments initiated with cards bearing the trademarks of MasterCard International Inc. and Visa Inc., which shall be accepted in the sole and absolute discretion of CARD CONNECT (collectively, the "Card Associations"). We are not a bank, and we do not offer banking services as defined by the South African Reserve Bank.

5.2 CARD CONNECT processes payments you receive from your customers. This means that we collect, relay information generated in connection with these payments.

5.3 In order to serve in this role, we must enter into agreements with certain Merchant Banks (also known as Acquiring Banks). Such banks require that you enter into an agreement with them as well as Card Connect. By accepting these terms and conditions you have agreed to the terms of the Merchant Acquiring Agreement.

6 Your Authorization

6.1 By accepting the terms of this Agreement, you authorise us to hold, receive, and disburse funds on your behalf. Your authorization permits us to generate a paper draft or an electronic funds transfer to process each payment transaction that you authorize. Your authorizations will remain in full force and effect until your Merchant Account is closed or terminated.

7 Restricted Use

7.1 You may use the CARD CONNECT Services only to the extent that you obey all laws, rules, and regulations applicable to your use of the CARD CONNECT Services. You may not act as a payment intermediary, aggregator or service bureau or otherwise resell our services on behalf of any third party. This means that you may not use the CARD CONNECT Services to handle, process or transmit funds for any third party. You also may not use the CARD CONNECT Services to process cash advances.

8 Unauthorized or Illegal Use

We may decide not to authorize or settle any transaction that you submit to us if we believe that the transaction is in violation of any CARD CONNECT agreement, or exposes you, other CARD CONNECT users, our Merchant Banks or CARD CONNECT to harm. Harm includes fraud and other criminal acts. If we reasonably suspect that your Merchant Account has been used for an unauthorized, illegal, or criminal purpose, you give us express authorization to share information about you, your CARD CONNECT Account, and any of your transactions with law enforcement.

9 Accepted Cards

CARD CONNECT works with any South Africa issued and most non-South African issued credit, debit, pre-paid, or gift cards with a Visa, MasterCard and from time to time Diners Club and American Express logo's, which shall be accepted in the sole and absolute discretion of Card Connect. We may remove or add Cards that we accept at any time without prior notice. We will only process Cards that receive an authorization from the applicable Card Association or card issuer. The person who presents the card to you ("the Payer"), may not be authorized to use the card or otherwise contest the transaction through the Chargeback process (as set out in this Agreement).

10 Applicable Card associations Rules - MasterCard, Visa, Diners, American Express

- 10.1 The Card Associations require that you and CARD CONNECT comply with all applicable bylaws, rules, and regulations ("Card Association Rules"). The Card Associations have historically reserved the right to amend their rules and regulations. CARD CONNECT may be required to change this agreement in connection with amendments to the Card Association Rules. Significant portions of the Card Association Rules are available to the public at www.visacemea.com and www.mastercard.com.
- 10.2 Card Association Rules currently prohibit you from (a) adding a surcharge for the use of a Card in connection with any transaction, or (b) dispensing cash on any Card transaction. The Card Association Rules also restrict your use of Card Association logos to indicating your acceptance of the Card Association cards and to other uses expressly authorized by the Card Associations.

11 Underwriting

- 11.1 CARD CONNECT will review some or all of the information that you submit in connection with your request to sign up for the CARD CONNECT Services. CARD CONNECT may forward such information on to its Merchant Bank. In order to be eligible to use the EFPOS Services, you must agree that CARD CONNECT may share information about you and your Merchant Account to its Merchant Bank. After you submit your application, CARD CONNECT or its Merchant Bank may conclude that you will not be permitted to use the CARD CONNECT Services.
- 11.2 By accepting the terms of this Agreement, you specifically authorize CARD CONNECT to request identity verifying information about you, including a consumer report and/or credit check that contains your name and address. CARD CONNECT may periodically obtain additional reports to determine whether you continue to meet the requirements for a Merchant Account.
- 11.3 You agree that CARD CONNECT is permitted to contact and share information about you and your application (including whether you are approved or declined), and your Merchant Account with your bank or other financial institution. This includes sharing information (a) about your transactions for regulatory or compliance purposes, (b) for use in connection with the management and maintenance of the service, (c) to create and update their customer records about you and to

assist them in better serving you, and (d) to conduct CARD CONNECT's risk management process.

12 Access to Merchant Account Funds

Merchant Account Funds for any given transaction will not be deposited until the transaction is deemed complete. Transactions will be deemed complete when we have received or sent the funds and when we or the designated financial institutions have accepted the transaction or funds. You are responsible for monitoring your transactions and ensuring that our payments to you are correct. You must notify us of any errors in payments made to you within sixty (60) days of the error first appearing on your electronic transaction history. Failure to notify us of such an error will be deemed a waiver of any right to amounts owed to you.

13 Payout Schedule

Once CARD CONNECT validates your South African bank account, CARD CONNECT will automatically initiate a payout to your bank account at the end of every business day. Payouts to your bank account will normally register within 1-2 business days, or as per the payment schedule agreed with you and as recorded in the Application Form and depending on with which bank you hold your account.

14 Availability of Funds

Should CARD CONNECT need to conduct an investigation or resolve any pending dispute related to your Merchant Account, we may defer payout or restrict access to your funds for the entire time it takes for us to do so. We may also defer payout or restrict access to your funds as required by law or court order, or if otherwise requested by law enforcement or governmental entity.

15 Reserve

- 15.1 At any time and from time to time, we may temporarily suspend or delay payments to you and/or designate an amount of funds that we must maintain Merchant Account in a separate reserve account (a "Reserve") to secure the performance of your payment obligations under this Agreement. We may require a Reserve for any reason, including if you have a high rate of Chargebacks (described in clause 24 of this Agreement), refunds, or other indications of performance problems related to your use of the CARD CONNECT Services.
- 15.2 The Reserve will be in an amount as reasonably determined by us to cover anticipated Chargebacks, returns, unshipped merchandise and/or unfulfilled products or services or credit risk based on your processing history or such amount designated by our Merchant Bank.
- 15.3 The Reserve may be raised, reduced or removed at any time by Card Connect, in its sole discretion, based on your payment history, a credit review, the amount of any arbitration award or court judgment against you in CARD CONNECT's favour, or otherwise as CARD CONNECT or its Merchant Bank may determine or require.
- 15.4 If you do not have sufficient funds in your Reserve, we may fund the Reserve from any funding source associated with your CARD CONNECT Account, including but not limited to any funds (a) deposited by you, (b) due to you under this Agreement, or (c) available in your bank account, or other payment instrument registered with us.
- 15.5 You grant us a security interest in and lien on any and all funds held in any Reserve, and also authorize us to make any withdrawals or debits from the Reserve, without prior notice to you, to collect amounts that you owe us under this Agreement, Including Without Limitation for any reversals of

deposits or transfers made to your CARD CONNECT Account. You will execute any additional documentation required for us to perfect our security interest in any funds in the Reserve. This security interest survives for as long as we hold funds in your Reserve.

16 Receipts

16.1 You may only process transactions when your customer is present at the time of the transaction and enters their card PIN. You agree to request that your customer personally enter the PIN for all transactions. You may give your customers the option to receive or decline a written receipt. As a convenience, but not in lieu of a written receipt, you may also offer CARD CONNECT electronic receipts for delivery through SMS or email to your customers.

16.2 We may, in our discretion allow you to process transactions where your customer's card is not present however this is subject to our prior written approval and the signature by you of additional documentation.

17 Taxes

You are responsible for determining any and all taxes assessed, incurred, or required to be collected, paid, or withheld for any reason in connection your use of our software and services ("Taxes"). You also are solely responsible for collecting, withholding, reporting, and remitting correct Taxes to the appropriate tax authority. We are not obligated to, nor will we determine whether Taxes apply, or calculate, collect, report, or remit any Taxes to any tax authority arising from any transaction.

18 Customer Service

You are solely responsible for all customer service issues relating to your goods or services, including pricing, order fulfillment, order cancellation by you or customer, returns, refunds and adjustments, rebates, functionality and warranty, technical support, and feedback concerning experiences with your personnel, policies or processes. In performing customer service, you will always present yourself as a separate entity from us. As between you and us, we are solely responsible for customer service issues relating to any CARD CONNECT Account, payment, card processing, debiting or crediting.

19 Refunds and Returns

19.1 By accepting payment card transactions with a Merchant Terminal, you agree to process returns of, and provide refunds and adjustments for, your goods or services through your Merchant Account in accordance with this Agreement and Card Association Rules. Card Association Rules require that you will (a) maintain a fair return, cancellation or adjustment policy; (b) disclose your return or cancellation policy to customers at the time of purchase, (c) not give cash refunds to a customer in connection with a Card sale, unless required by law, and (d) not accept cash or any other item of value for preparing a Card sale refund (d) give refunds for goods purchased by way of cash or other method of payment (e) only process a refund to the credit card account that was utilized to process the original transaction.

19.2 CARD CONNECT, will be to its discretion apply the refund functionality on the Merchant Terminal.

19.2 The amount of the refund/adjustment must include any associated taxes required to be refunded and cannot exceed the amount shown as the total on the original sales data except by the exact amount required to reimburse the customer for postage that the customer paid to return merchandise. If you accept returns and are making an

uneven exchange of merchandise (e.g., the sales price is not the same), you must issue a credit for the total amount of the merchandise being returned and complete a new sale for any new merchandise. Please be aware, if your refund policy prohibits returns or is unsatisfactory to the buyer, you may still receive a Chargeback relating to such sales.

19.3 If your CARD CONNECT balance (the balance in your Merchant Account) is insufficient to cover the refund, CARD CONNECT will withdraw up to the requested refund amount from your bank account. CARD CONNECT will then withdraw the amount you were paid (the sale amount minus the initial transaction fee) from your bank account, and credit it back into your customer's card. The Fees are also refunded by Card Connect, so the full purchase amount is always returned to your customer. CARD CONNECT has no obligation to accept any returns of any of your goods or services on your behalf.

19.4 An SMS or emailed version of the credit voucher must be provided to the Cardholder.

20 Your Liability for Chargebacks

Subject to the amount of a transaction may be reversed or charged back to your Merchant Account (a "Chargeback") if the transaction (a) is disputed, (b) is reversed for any reason by the Card Association, our Merchant Bank, or a Payer's or our financial institution, (c) was not authorized or we have any reason to believe that the transaction was not authorized, or (d) is allegedly unlawful, suspicious, or in violation of the terms of this Agreement.

21 Our Collection Rights for Chargebacks.

21.1 **For any transaction that results in a Chargeback, we may withhold the Chargeback amount in a Reserve. We may deduct the amount of any Chargeback and any associated Fees, fines, or penalties listed in the Fee Schedule or assessed by the Association or our Merchant Bank from your Merchant Account (Including Without Limitation any Reserve), any proceeds due to you, your bank account, or other payment instrument registered with us. For the avoidance of any doubt we point that it is possible that the value of Chargeback might be more than the original transaction amount if for example the Chargeback was processed on an international Card. You shall be liable for any fluctuation in exchange rates on and Chargebacks.**

21.2 If you have pending Chargebacks, we may delay payouts from your Merchant Account. Further, if we reasonably believe that a Chargeback is likely with respect to any transaction, we may withhold the amount of the potential Chargeback from payments otherwise due to you under this Agreement until such time that: (a) a Chargeback is assessed due to a customer's complaint, in which case we will retain the funds; (b) the period of time under applicable law or regulation by which the customer may dispute that the transaction has expired; or (c) we determine that a Chargeback on the transaction will not occur.

21.3 If we are unable to recover funds related to a Chargeback for which you are liable, you will pay us the full amount of the Chargeback immediately upon demand. You agree to pay all costs and expenses, Including Without Limitation attorneys' fees on an attorney/client scale, interest and other legal expenses, incurred by or on behalf of us in connection with the collection of all Merchant Account deficit balances unpaid by you.

22 Excessive Chargebacks

22.1 If we determine that you are incurring an excessive amount of Chargebacks, we may establish controls or conditions governing your Merchant Account, Including Without

Limitation, by (a) establishing new processing fees, (b) creating a Reserve in an amount reasonably determined by us to cover anticipated Chargebacks and related fees, (c) delaying payouts, and (d) terminating or suspending the Services.

23 Contesting Chargebacks

- 23.1 You agree to assist us when requested, at your expense, to investigate any of your transactions processed through the CARD CONNECT Services. To that end, you permit us to share information about a Chargeback with the payer, the payer's financial institution, and your financial institution in order to investigate and/or mediate a Chargeback. We will request necessary information from you to contest the Chargeback.
- 23.2 If the Chargeback is contested successfully, we will release the reserved funds to your Merchant Account. If a Chargeback dispute is not resolved in your favour by the Card Association or issuing bank or you choose not to contest the Chargeback, we may recover the Chargeback amount and any associated fees as described in this Agreement.
- 23.3 You acknowledge that your failure to assist us in a timely manner when investigating a transaction, including providing necessary documentation within fifteen (7) business days of our request, may result in an irreversible Chargeback. We reserve the right, upon notice to you, to charge a fee for mediating and/or investigating Chargeback disputes.

24 Our Set-off Rights

- 24.1 To the extent permitted by law, we may set off against the Balances for any obligation you owe us under this Agreement, Including Without Limitation any Chargebacks and Fees.
- 24.2 All Fees are charged at the time we process a transaction and are deducted first from the transferred or collected funds.

25 Dormant Merchant Accounts

- 25.1 If there is no activity in your Merchant Account (including access or payment transactions) for at least:
- 25.1.1 Ninety (ninety) days our Merchant Bank will mark this account as inactive. You will be required to a) contact CARD CONNECT to have the account made active b) on the same day process a transaction of any value. Should you fail to follow these two steps, the account will remain inactive.
- 25.1.2 two (2) years, consecutively, and you have a Balance, we will notify you by sending an email to your registered email address and give you the option of keeping your Merchant Account open and maintaining the Balance, withdrawing the Balance, or requesting a cheque. If you do not respond to our notice within thirty (30) days, we will automatically close your Merchant Account and distribute your funds in accordance with applicable law, and if permitted, to Card Connect.

26 CARD CONNECT Processing Errors

- 26.1 We will attempt to rectify processing errors that we discover. If the error resulted in your receipt of less than the correct amount to which you were entitled, CARD CONNECT will credit your Merchant Account for the difference. If the error results in your receipt of more than the correct amount to which you were entitled, CARD CONNECT will debit the extra funds from your bank account.

- 26.2 CARD CONNECT will only correct transactions that you process incorrectly if and when you notify us of such an error. Your failure to notify us of a processing error within thirty (30) days of when it first appears on your electronic transaction history will be deemed a waiver of any right to amounts owed to you.

27 Disclosures and Notices

You agree that CARD CONNECT can provide disclosures and notices required by law and other information about your Merchant Account to you electronically by posting it on our website, or by emailing it to the email address listed in your Merchant Account. You also agree that electronic disclosures and notices have the same meaning and effect as if we had provided you with paper copies. Such disclosures and notices are considered received by you within 24 hours of the time posted to our website, or within 24 hours of the time emailed to you unless we receive notice that the email was not delivered.

28 User Content

- 28.1 In connection with registration for a Merchant Account, users may upload photos or other materials or information to the CARD CONNECT Services ("User Content"). You agree that you will not upload User Content to the CARD CONNECT Services unless you have created that content yourself, or you have permission from the copyright owner to do so.
- 28.2 For any User Content that you upload to the CARD CONNECT Services, you grant us and our subsidiaries, affiliates, and successors a worldwide, non-exclusive, royalty-free, fully-paid, transferable, and sub licensable right to use, reproduce, modify, adapt, publish, prepare derivative works of, distribute, publicly perform, and publicly display that User Content throughout the world in any media in order to provide and promote the CARD CONNECT Services and CARD CONNECT's business. You retain all rights in your User Content, subject to the rights granted to CARD CONNECT in this Agreement. You may modify or remove your User Content via your Merchant Account or by terminating your Merchant Account.
- 28.3 You agree not to upload to the CARD CONNECT Services or otherwise post, transmit, distribute, or disseminate through the CARD CONNECT Services any material that: (a) is false, misleading, unlawful, obscene, indecent, lewd, pornographic, defamatory, libellous, threatening, harassing, hateful, abusive, or inflammatory; (b) encourages conduct that would be considered a criminal offense or gives rise to civil liability; (c) breaches any duty toward or rights of any person or entity, including rights of publicity or privacy; (d) contains corrupted data or any other harmful, disruptive, or destructive files; (e) advertises products or services competitive with CARD CONNECT's or its partners' products and services, as determined by CARD CONNECT in its sole discretion; or (f) in CARD CONNECT's sole judgment, is objectionable, restricts or inhibits any person or entity from using or enjoying any portion of the CARD CONNECT Services, or which may expose Card Connect, its affiliates, or users to harm or liability of any nature.
- 28.4 Although CARD CONNECT has no obligation to screen, edit, or monitor any User Content, CARD CONNECT reserves the right, and has absolute discretion, to remove, screen, edit, or disable any User Content at any time and for any reason without notice. You understand that by using the CARD CONNECT Services, you may be exposed to User Content that is offensive, indecent, or objectionable. We take no responsibility and assume no liability for any User Content, including any loss or damage to any of your User Content.

29 Copyright Infringement

CARD CONNECT respects the intellectual property rights of others and asks you to do the same. It is CARD CONNECT's policy to terminate the access privileges of those who repeatedly infringe the copyright rights of others. If you believe that your work has been posted on the CARD CONNECT Services in a way that constitutes copyright infringement, please contact CARD CONNECT's copyright agent at the address below and provide the following information: (a) an electronic or physical signature of the person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed; (b) a description of the copyright-protected work that you claim has been infringed; (c) the location on the CARD CONNECT Services of the material that you claim is infringing; (d) your address, telephone number, and email address; (e) a statement by you regarding your good faith belief that the disputed use is not authorized by the copyright owner, its agent, or the law; and (f) a statement by you, made under penalty of perjury, that the information in your notice is accurate and that you are the copyright owner or authorized to act on the copyright owner's behalf. By submitting a copyright infringement notice, you acknowledge and agree that CARD CONNECT, or its copyright agent may forward the information you provide in this notice to the person who uploaded the allegedly infringing material. You may write to CARD CONNECT's designated agent for notice of copyright infringement at

CARD CONNECT, a division of Main Street 1723
(Pty) Ltd
ATT: Legal
First Floor, Block D, Sable Square,
c/o Bosmansdam and Ratanga Road,
Milnerton
Cape Town
7441

30 Security

We have implemented technical and organizational measures designed to secure your personal information from accidental loss and from unauthorized access, use, alteration or disclosure. However, we cannot guarantee that unauthorized third parties will never be able to defeat those measures or use your personal information for improper purposes. You acknowledge that you provide your personal information at your own risk.

31 Termination

If your Merchant Account is terminated for any reason or no reason, you agree: (a) to continue to be bound by this Agreement, (b) to immediately stop using the CARD CONNECT Services, (c) that the license provided under this Agreement shall end, (d) that we reserve the right (but have

no obligation) to delete all of your information and account data stored on our servers, and (e) that CARD CONNECT shall not be liable to you or any third party for termination of access to the CARD CONNECT Services or for deletion of your information or account data.

- 32.1 Any funds that we are holding in custody for you at the time of closure, less any applicable Fees, will be paid out to you according to your payout schedule, assuming all payout-related authentication requirements have been fulfilled (for example, you may not close your Merchant Account as a means of evading your payout schedule).
- 32.2 If an investigation is pending at the time you close your Merchant Account, we may hold your funds as described herein. If you are later determined to be entitled to some or all of the funds in dispute, we will release those funds to you.

33 Suspension or Termination by Us

We may terminate this Agreement and close your Merchant Account for any reason or no reason at any time upon notice to you. We may also suspend the CARD CONNECT Services and access to your Merchant Account (including the funds in your CARD CONNECT Account) if you (a) have violated the terms of this Agreement, any other agreement you have with Card Connect, or CARD CONNECT policies, (b) pose an unacceptable credit or fraud risk to us, or (c) provide any false, incomplete, inaccurate, or misleading information or otherwise engage in fraudulent or illegal conduct.

34 Effect of Termination

We will not be liable to you for compensation, reimbursement, or damages in connection with your use of the CARD CONNECT Services, or in connection with any termination or suspension of the CARD CONNECT Services. Any termination of this Agreement does not relieve you of any obligations to pay any Fees or costs accrued prior to the termination and any other amounts owed by you to us as provided in this Agreement.

35 Applicable for finance and rental models

I / We declare that to the best of my/our knowledge and belief, the particulars set out in this application are true and correct, and that no additional information was withheld. I / We consent to CARD CONNECT or nominated company to do enquiries about my/our credit record with any reference agency and any other party to confirm details on this application. I / We consent to carrying out identity and fraud prevention checks and sharing information relating to this application with the South African Fraud Prevention Services.