

**These general terms are applicable to all Card Transactions.****Definitions.**

1. In this Agreement, the following words and phrases have the following meanings:

"ABM" means an automated banking machine being an electronic fund transfer terminal that can perform certain banking services including deposits, withdrawals, transfers between accounts, and balance inquiries.

"the Bank's" means Sagicor Bank Jamaica Limited, a limited liability company incorporated under the laws of Jamaica with its registered address at 17 Dominica Drive, Kingston 5.

"Bank's Card Centre" means the principal office from which the Bank administers its Card business or such other office designated by the Bank from time to time for the purposes of this Agreement.

"Bank's Telephone Service Centre" means the office from which the Bank provides all day telephonic authorisation services to the Merchant and Cardholders.

"Bank's Operating Procedures" means the procedures and guidelines notified by the Bank to the Merchant from time to time and to be complied with by the Merchant in respect of transactions governed by this Agreement.

"Business Day" means a day on which commercial banks are ordinarily open for business in Jamaica, excluding weekends and public general holidays.

"Card Recovery Bulletin" means the document provided by the Bank listing Cardholder accounts and/or Card numbers which the Merchant should refuse to accept in effecting Card transactions.

"Cardholder" means an authorised person holding a Qualified Card.

"Chargeback" means a demand by the Bank for the Merchant to make good the loss on a fraudulent or disputed transaction.

"Designated Account" means the account established by the Merchant pursuant to clause 17 hereof.

"GCT" means General Consumption Tax.

"Imprinter Transaction" means a transaction in which an imprinter machine is used to manually imprint the details of a Qualified Card on a Sales Draft.

"the Merchant" means the person whose name and address appears on the Merchant Application and on whose behalf the said application has been signed.

"Merchant Application" means an application in such form as the Bank may determine from time to time, containing a request by the Merchant to act as a Merchant Acquirer for debit and credit transactions, agreeing to be bound by the terms and conditions herein contained and signed by the Merchant and the Bank.

"Multilink Debit Card" means a debit Card issued by the Bank or any financial institution which is a participating institution (whether as a member or licensee, in the Multilink Network operated by J.E.T.S. Limited or any successor or assignee of J.E.T.S Limited).

"Multilink Network" means a network of ABMs and P.O.S. Terminals owned by participating institutions and connected to central processing facilities established by J.E.T.S Limited whereby ABM Cards and Multilink Debit Cards issued by any participating institution may be used at any such ABM or P.O.S. Terminal forming part of the network.

"Offhost" with reference to any P.O.S. Terminal, means that such P.O.S Terminal is, at the material time, unable to communicate normally with the central processing facilities with which it is linked or with the central processing facilities of the Multilink Network.

"Qualified Card" or "Card", means any debit or credit card issued by the Bank from time to time unless stipulated by the Bank to the contrary.

"P.I.N." means personal identification number being a number comprised of four to six digits selected by the Cardholder, the Bank or the financial institution issuing a P.I.N. based debit card that acts as a key for the Cardholder to access ABM and/or P.O.S. services by use of the Card.

"P.O.S." means point of sale and the phrases "P.O.S. Services" and "P.O.S. System" shall be so construed accordingly.

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"P.O.S. Equipment" means a P.O.S. Terminal, printer, pin pad or any other equipment which the Bank may approve for use to access P.O. S. services from the Merchant's premises.

"P.O.S. Terminal" means a device which is capable of reading the electronic information from a Qualified Card and which shall be used at the point of the transaction to obtain authorisation other than by live voice confirmation and used to transmit electronically captured data to the Bank's data centre.

"P.O.S. Transaction" means an electronically processed transaction involving the sale of goods or services by the Merchant where payment is effected by the P.O.S. system, whether by using a debit card or credit card.

"Sales Draft" means the transaction slip, voucher or receipt completed manually by the Merchant in keeping with this Agreement upon the completion of an Imprinter Transaction.

"Transaction Limit" means the transaction limits stated in the Merchant Application or notified in writing from time to time by the Bank to the Merchant as being the maximum monetary limit for which a particular Card transaction can be processed by the Merchant without the authorisation of the Bank.

"Transaction Receipt" means the electronic slip, voucher or receipt issued at the P.O.S. Terminal upon completion of a P.O.S. Transaction.

In this Agreement references to one gender include all other genders and the singular shall be deemed to include the plural and vice versa.

**Warranty by the Merchant.**

2. The Merchant warrants that all information provided to the Bank in the Merchant Application is accurate and complete in all material respects.

**Authorisation by the Bank.**

3. The Merchant is hereby authorised by the Bank to accept all valid Qualified Cards in connection with the sale of goods and/or services to Cardholders and the Merchant agrees to honour all valid Qualified Cards tendered for use subject to the terms and conditions hereof.

**Verification of Invalid Qualified.**

4. It is understood and agreed that before concluding any transaction for which a Qualified Card is tendered the Merchant will verify that the Qualified Card is valid.

**Circumstances where Qualified Card not valid.**

5. Unless acceptance is specifically authorised by the Bank in each case, a Qualified Card is not valid and hence shall not be accepted as such in any of the following circumstances: (a) if the Card is not signed by the Cardholder at the back; (b) if its expiry date precedes the date of the transaction; or (c) if the Card is a counterfeit or is otherwise invalid or has been revoked; or (d) if the Card number is listed on the Card Recovery Bulletin provided by the Bank prior to the transaction; or (e) if the Card is mutilated cut or marked, or appears irregular in any way on its face.

**Compliance with Limits**

6. The Merchant shall observe the transaction limits set out in the Merchant Application or otherwise notified to the Merchant by the Bank from time to time with respect to all Card transactions. The Bank may vary or establish new transaction limits from time to time in its absolute discretion and Merchant agrees to comply with such limits set by the Bank.

**Circumstances where approval to be obtained for Charging a Qualified Card**

7. The Merchant shall telephone the Bank's Telephone Service Centre and obtain from the Bank, specific authorisation for charging any sales transaction on a Qualified Card where: (a) the Qualified Card is used in connection with a transaction exceeding the Transaction Limit or a series of transactions occurring on the same day for an aggregate amount exceeding the Transaction Limit; (b) regardless of the amount of a sales transaction: (i) the Card is not signed by the Cardholder in the space provided at the back or the signature appears altered or erased; or (ii) the Merchant is suspicious of the transaction or of the identity of the Cardholder or is uncertain that the Qualified Card is valid.

**Merchant Prohibitions**

8. The Merchant is prohibited from and shall under no circumstances: (a) accept a Qualified Card to collect or refinance any debt owed by the Cardholder or otherwise; (b) advance or disburse cash to the Cardholder against a Qualified Card; or (c) split anyone sale transaction by allowing the execution of multiple Sales Drafts by the Cardholder to avoid obtaining specific authorisation of the sales transaction from the Bank in accordance with the terms of this Agreement or to avoid any other condition specified in this Agreement or by the Bank's Operating Procedures.

**Display of Promotional Materials**

9. The Merchant shall adequately display the Qualified Card decals and promotional materials to inform the public that Qualified Cards will be accepted at the Merchant's place(s) of business. The Merchant's right to use or display such decals and promotional material shall continue only so long as this Agreement remains in force or until the Merchant is notified by the Bank to cease such usage or display.

**Rental and Care of Terminals etc.**

10. The Bank will, at the rental amount specified by the Bank, rent to and supply the Merchant with the following, namely: (a) P.O.S. Terminals, printers and P.I.N. pads for the purpose of effecting Electronic Transactions; and/or (b) Imprinters,

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blank Sales Drafts, merchant deposit summaries and other necessary forms for the purpose of effecting Imprinter Transactions.

The Merchant shall take proper care of all equipment rented and provided by the Bank and shall promptly inform the Bank if any equipment is malfunctioning. Subject to the provisions of this Agreement, the Bank shall be responsible for the maintenance and repair of the equipment and the Merchant shall not attempt to repair same. The parties agree that the Bank shall not be liable for any loss or damage suffered by the Merchant due to the malfunctioning of any equipment except in cases of gross negligence by the Bank.

While the equipment is in the physical possession of the Merchant or is located on the Merchant's premises, the Merchant shall be responsible for the safety and use of the equipment, and for any damage resulting from the equipment being located on the Merchant's premises or from the equipment being in the physical possession of the Merchant. The Merchant shall use the equipment in a skilful and proper manner and in accordance with any operating instructions issued with respect to the equipment and shall ensure at all times that the equipment is operated and used by properly trained personnel. The Merchant shall at all times comply with all the manufacturers' requirements and instructions for the operation and storage of the equipment and shall at all times protect the equipment against damage and/or loss. The Merchant agrees to indemnify the Bank against all losses, charges and damages however incurred by reason of failure of the Merchant to comply with any of the above.

**No Discrimination etc.**

11. The Merchant shall not discriminate in any respect against Cardholders as opposed to other customers including customers paying cash. In particular, the Merchant expressly agrees that the sale of goods and services to Cardholders will be made at regular cash prices, including any discounted price, rebate or other concession or benefit effective on the date or at the moment of the transaction, without charging any part of the said discount price, rebate or other concession or benefit or any service charge to the Cardholder, and without requiring from the Cardholder the payment of any part of the discount that is charged to the Merchant by the Bank under this Agreement. The Merchant further agrees that he will exchange goods, accept returns of goods and, if necessary, make adjustments in the price of any goods or services sold to a Cardholder in accordance with the Merchant's policy applicable to cash transactions.

**Bank's Right to Receive Payment**

12. Subject to the right of Chargeback to the Merchant, the Bank shall have sole right to receive payment from Cardholders of the total amount of moneys represented by each Sales Draft presented by the Merchant to the Bank and on all P.O.S. Transactions which are credit card transactions represented by Transaction Receipts issued at the point of sale at the time of the transaction. The Merchant will not solicit, charge or accept any payment from Cardholders with respect to any transaction in which a Qualified Card is used. The Merchant hereby agrees to assign to the Bank all its right, title and interest in and to all Sales Drafts.

**Requirement for Exchange, Adjustment & Return Policies**

13. The Merchant will establish and maintain a fair policy for exchange, adjustment and return of merchandise or services. If, with respect to any transaction in which a Qualified Card is used the goods purchased or any part thereof are returned or any services are terminated or cancelled or any price adjustment or rebate is allowed by the Merchant, then the Merchant shall not make any cash refund to the Cardholder but shall deliver not later than four (4) Business Days to the Bank a credit voucher evidencing such refund or adjustment.

**Requirements as to Credit Vouchers**

14. The Merchant shall ensure that each credit voucher (with the manually imprinted Sales Draft or the Transaction Receipt), is dated and includes thereon a brief indication of the merchandise returned, services cancelled or the adjustment made and the amount of the credit in sufficient detail to identify the transaction.

**Sales Drafts from other sources not to be accepted.**

15. The Merchant shall not accept for imprinting or offer for sale to the Bank or process through a P.O.S. Terminal any Sales Draft from any source other than the Bank.

**Confidentiality of Certain Information**

16. The Merchant shall not give to any third party the names and/or account numbers or any documents or forms evidencing such names and/or numbers obtained from any Qualified Card.

**Merchant to Maintain a Designated Account**

17. The Merchant shall maintain an account with the Bank (herein referred to as "the Designated Account") to facilitate settlement of transactions contemplated hereunder. Sums due from the Bank to the Merchant shall be credited to the Designated Account. The Designated Account shall be subject to the terms and conditions of this Agreement and to the Bank's usual account terms and conditions in force from time to time. It is understood and agreed that the Designated Account shall not be operated as a trading account unless so requested in writing by the Merchant and for which the Bank has given written consent.

**The Bank's Right of Set-Off & Lien**

18. In respect of all transactions carried out by the Merchant pursuant to this Agreement, the Bank shall have the right of set-off of amounts owing to or becoming owing to the Bank by the Merchant hereunder, including any unpaid rental amounts, against all moneys in the Designated Account or moneys due to or payable to or to be credited to the Designated Account so long as this Agreement remains in force. In the event of the termination of this Agreement the Bank's right of set-off shall remain applicable in respect of debts due from the merchant for transaction that took place before the date of termination. The Bank's right of set-off shall be exercised by the Bank at such time or times it deems

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fit in its absolute discretion without the need for the Bank to give prior notice or any notice whatsoever to the Merchant, and in so doing the Bank may refuse payment of any amounts due to the Merchant unless sufficient funds remain in the Designated Account after such set off by the Bank. The Bank shall have a first lien and charge on all the credit balances standing in the Designated Account and the Merchant hereby irrevocably hypothecates the said amounts to the Bank to secure all the amounts and indebtedness owed by the Merchant to the Bank from time to time under the terms of this Agreement. No refusal by the Bank to exercise any of its rights hereunder at any specific time or times shall operate as a general waiver by the Bank of its said rights.

## Merchant to Provide Sales Drafts & Credit Vouchers

19. The Merchant will, within four (4) Business Days of having been requested to do so, provide the Bank with original or photocopy of any Sales Draft(s) or credit voucher(s) failing which the Bank may refuse to credit the Merchant's Designated Account with or may Chargeback to the Merchant the total amount of such Sales Draft or credit vouchers.

## Requirements as to Sales Drafts etc.

20. The Merchant undertakes and warrants that all Sales Drafts, credit vouchers and Transaction Receipts shall correctly reflect the date on which each transaction or activity took place. To receive payment of sums due to the Merchant and to avoid Chargeback due to late presentation, unless exempted by the Bank in writing, the Merchant shall present or deliver to the Bank all Sales Drafts, credit vouchers and where applicable Transaction Receipts no later than thirty (30) days following the actual date of the transaction or activity.

## Cut-Off Times

21. When a transaction is transmitted to the Bank (whether electronically or by delivery of a Sales Draft) before the Bank's cut-off time on a Business Day, the Designated Account will, barring unforeseen events, be credited within 48 hours. If the transaction is transmitted to the Bank after the cut-off time on any Business Day, or on any other day which is not a Business Day, it shall be treated as having been transmitted to the Bank on the next Business Day and, barring unforeseen events, the Designated Account shall be credited within 48 hours thereafter. Unless otherwise notified by the Bank in writing, "cut-off" times for submission are 9:00 p.m. Mondays to Fridays on Business Days.

## The Bank's Commissions & Fees

22. In consideration for the services and facilities provided by the Bank to the Merchant hereunder, the Merchant shall pay to the Bank:

- (a) in respect of all transactions (other than those mentioned at sub-paragraph (b) below), the commission set out in the Merchant Application on the total of all Sales Drafts and Transaction Receipts, excluding those in respect to debit P.O.S. Transactions, credited to the Designated Account less all credit vouchers and Chargebacks debited to the Designated Account;
- (b) in respect of P.O.S. transactions involving the use of a Multilink Debit Card, the flat described in the Merchant Application or as varied by the Bank from time to time in its absolute discretion) for each transaction.

The Bank shall deduct the commission and the flat fee from the amounts due to the Merchant prior to crediting the Designated Account with any such amounts.

## Currency of Transactions

23. The Merchant hereby agrees and accepts that all transactions must be processed in the currency in which each transaction was consummated by the Cardholder. Transactions processed in United States Currency or any other currency must not be converted to Jamaican Currency or any other currency.

## Bank May Refuse or Revoke Transaction Acceptance

24. The Bank shall have the right at any time to refuse to accept or to revoke its acceptance of any transaction and debit the amount of any Chargeback to the Designated Account without notice, in any of the circumstances set out at sub-paragraphs (a) to (i) below or otherwise in accordance with the Bank's Operating Procedures. Without limiting the generality of the foregoing, the Designated Account may be debited with Chargeback if with respect to any transaction or series of transactions:

- (a) the transaction was completed in the absence of the Card, except where the Merchant is a hotel, car rental organisation or airline. The exception in the case of a hotel, car rental organisation or airline shall apply only if the transaction was completed by the Merchant after giving prior notice of same to the Cardholder;
- (b) the Merchant did not properly disclose his policy on return of merchandise or delivery of goods and services;
- (c) the Sales Draft presented by the Merchant is known or ought reasonably to be known by the Merchant to be fraudulent or improperly endorsed or not duly authorised by the Cardholder;
- (d) in the sole judgment of the Bank, multiple Sales Drafts were executed to avoid the need to obtain authorisation from the Bank to complete a transaction;
- (e) the Card used in connection with such transaction had expired or was listed on the Card Recovery Bulletin;
- (f) the Sales Draft is illegible or altered or altered in any way cause suspicion;

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- (g) the sale was in respect of goods sold or services performed that were in violation of the law or the rules or regulations of any government agency or in violation of the terms of this Agreement;
- (h) the item purchased is returned for any reason, whether or not a credit voucher is delivered to the Bank; or
- (i) the sale transaction was above the Transaction Limit and was not duly authorised by the Bank.
- (j) If a Sales Draft was presented for payment by a Merchant not authorised by the Bank to do Imprinter Transactions.
- (k) If a transaction is suspected or proven to be fraudulent in any manner whatsoever, with or without actual fault of the Merchant.
- (l) If the Merchant shall have failed in any respect to comply with this Agreement.

The Merchant agrees to take all reasonable precautionary steps to avoid fraud and Chargebacks and shall act in accordance with any warning letters given by the Bank and with the Bank's Operating Procedures. The Merchant further agrees to indemnify the Bank for any costs, losses or damages suffered by the Bank in respect of any of the aforesaid transactions. The Bank's rights hereunder including its right to Chargeback shall not be affected by the use of chip enabled or EMV cards.

## Recovery of Qualified Cards

25. The Merchant agrees to use its best efforts to recover any Qualified Card used in connection with a transaction if: (a) the Cardholder's account or Card number is on the Bank's Card Recovery Bulletin; or (b) the Merchant is advised by the Bank to retain the Card in response to an authorisation call made by the Merchant to the Bank.

## Merchant to Pay Chargebacks etc.

26. The Merchant agrees to pay on demand, within three (3) Business Days, all outstanding Chargebacks or claims made by the Bank if and to the extent that such Chargebacks or claims are not set-off against credit balances in the Designated Account.

## Compliance with Bank's Operating Procedures

27. The Merchant agrees to abide by and observe all of the Bank's Operating Procedures as the Bank may from time to time establish, the Bank's said Operating Procedures are hereby incorporated by reference into this Agreement. The Bank reserves the right to amend the Operating Procedures from time to time in its absolute discretion.

## Bank's Right to Audit

28. The Bank shall have the right to audit the Merchant's books, accounts, records and other papers relative to Transaction Receipts, credit vouchers and to Sales Drafts sold or tendered to the Bank.

## Commencement Term & Termination

29. This Agreement shall become effective when signed by all parties and shall remain in full force and effect until terminated by written notice. Either party may terminate this Agreement upon thirty (30) days' written notice to the other party at any time. The Bank may also terminate this Agreement forthwith (i) if the Merchant commits a breach of any of the terms and conditions hereof, or (ii) if, where the Merchant is a company or other corporate body, it shall pass a resolution to be wound up, or if a petition shall be filed for the Merchant to be wound up, or if a receiver is appointed over the whole or any part of the Merchant's assets; or (iii) if, where the Merchant is an individual or partnership, a petition shall be filed for the Merchant to be declared bankrupt, or (iv) if the Merchant's Designated Account is or becomes inactive for a period of six (6) months or more, or (v) if the Merchant concludes or allows to be concluded any fraudulent Card transactions. All obligations incurred or existing under this Agreement as at the date of termination shall survive such termination.

## Amendment

30. The Bank may, at any time upon giving not less than thirty (30) days' written notice to the Merchant, amend this Agreement and such amendment shall be effective and binding upon the Merchant at the end of the notice period, unless the Merchant terminates this Agreement by written notice pursuant to Clause 29 above. All obligations of the Merchant incurred or existing under this Agreement as of the date of termination shall survive such termination. This Agreement shall be binding on each party, its/his heirs, successors or assigns.

## The Bank May Postpone Payment

31. If this Agreement is being terminated for any reason whatsoever by either party, or if the Bank questions the authenticity of any Sales Draft or of any of the transactions transmitted to the Bank, the Bank reserves the right to postpone payment of any moneys to the Merchant for a period not exceeding One Hundred and Eighty (180) days after submission of documents by the Merchant for payment.

## Relationship of the Parties

32. Neither party shall make any contract or representation nor incur any obligation in the name or on behalf of the other party. Nothing in this Agreement shall be construed as appointing or constituting an appointment of either party as the agent of the other.

## Assignment

33. The Merchant may not assign or transfer any of the Merchants rights or obligations under this Agreement. The Bank may assign all or any of its rights and obligations under this Agreement to any party, including any institution that takes over or acquires the business of the Bank.

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- Force Majeure** 34. In the event that the Bank is unable to timely perform its obligations hereunder due to any cause beyond its control, including but not limited to, strike, riot, earthquake, epidemics, war, fire, power failure, the closure of any financial institution, breakdown or failure of machines or telecommunications link or computer associated equipment outage, the Bank shall not be liable to the Merchant for any loss or damage expenses, actions or cause of actions arising out of, in connection with, or by reasons of such happenings and the Merchant agrees to indemnify and hold the Bank harmless in respect of any claims, damages, or expenses arising out of an error by the Bank in the performance of the P.O.S. services and/or any failure to effect P.O.S. Transactions if such error or failure is due in whole or in part to any of the foregoing causes.
- Public Announcements etc.** 35. All media releases, public announcements, public disclosures by the Merchant relating to this Agreement or its subject matter including without limitation, promotional or marketing materials (but excluding announcements intended solely for internal distribution within the Merchant's business or any disclosure required by legal, accounting, or regulatory requirements beyond the reasonable control of such party), shall be coordinated with and approved by the Bank prior to release which approval shall not be unreasonably withheld.
- Entire Agreement** 36. This Agreement contains all the terms which the parties have agreed in relation to its subject matter and neither of the parties to this Agreement has been induced to enter into this Agreement by any statement or promise which is not set out herein.
- Governing Law** 37. This Agreement shall be governed by Jamaican law.

## **Part II**

**The provisions set out in this Part along with applicable general provisions shall apply to Imprinter Transactions:**

- Authorisation of Imprinter Transactions** 38. Only credit card transactions will be permitted as Imprinter Transactions in keeping with the provisions of this Agreement. A Merchant can carry out Imprinter Transactions only if authorised by the Bank to do so or if the Bank does not specifically prohibit the Merchant from carrying out Imprinter Transactions. The Merchant agrees to obtain "voice authorisation" by calling into the Bank's Telephone Service Centre for authorisation of any Imprinter Transaction or series of Imprinter Transactions above the Transaction Limit prior to effecting the sale, except in the case where the Merchant is an airline, hotel, or car rental organisation and except mail/phone order transactions. (Refer to Part IV of this Agreement in respect of transactions conducted without the Qualified Card and/or in the absence of the Cardholder). Without prejudice to any provision hereof to the contrary, it is hereby agreed that the Merchant shall be liable for any and all claims or losses due to fraud or otherwise arising from any Imprinter Transaction performed by the Merchant.
- Requirements for Imprinter Transactions** 39. In the case of each Imprinter Transaction, the Merchant shall: (a) complete the Sales Draft by entering therein the date of the transaction, a description of the goods or services sold and the price thereof (including GCT), all in sufficient detail to identify the transaction; (b) obtain the signature of the Cardholder on the Sales Draft; (c) compare the signature on the Sales Draft with the signature on the Card presented to ascertain that they appear to be the same; (d) check the Card Recovery Bulletin if the transaction amount is below the Transaction Limit or call for authorisation for amounts above the Transaction Limit; (e) enter the authorisation number on the Sales Draft if the amount is above the Transaction Limit; (f) deliver to the Cardholder a true and completed copy of the Sales Draft.
- Retention of Copies of Sales Drafts & Credit Vouchers** 40. The Merchant agrees to retain the Merchant Copy of each completed Sales Draft and credit voucher for a minimum of eighteen (18) months from the date of the transaction evidenced by the Sales Draft or credit voucher, as the case may be.
- Validity of Sales Drafts** 41. A Sales Draft is not valid unless: (a) it is clearly imprinted with the names and numbers of the Cardholder and the Merchant; (b) it is signed by the Cardholder and the signature is easily decipherable from the Merchant's copy and matches the signature on the Card; (c) it is on a form supplied by the Bank for Card transactions; (d) it describes fully and accurately, the goods supplied or services rendered together with the total price or fee charged including GCT and other taxes; (e) in a case where authorisation has been obtained, the authorisation code is clearly marked on it; and (f) it has an authorisation number for transactions exceeding the Merchant's assigned Transaction Limit.
- Purchase & Sale of Sales Drafts** 42. The Merchant agrees to offer and the Bank agrees to purchase from the Merchant all valid Sales Drafts generated by the Merchant out of transactions involving the sale of goods and services to Cardholders using a Qualified Card. In respect of each Sales Draft offered to the Bank, the Merchant warrants that (a) the Sales Draft represents a valid bona fide obligation of the Cardholder for the amounts set forth therein (b) the transaction represented by the Sales Draft is not subject to any dispute, right of set-off or counter claim; (c) such Sales Draft is duly signed by a bona fide Cardholder to whom the Merchant actually sold the relevant goods and/or services; (d) the Sales Draft is not fraudulently completed; (e) the Cardholder had the legal capacity to contract at the time of purchase; (f) all statements of fact contained in the Sales Draft are true; and (g) the Merchant is not aware of any circumstance which would impair the validity or collectability of the amount stated in such Sales Draft.
- Ownership of Sales Drafts etc.** 43. The Bank shall be the absolute owner of all Sales Drafts sold to it. The Merchant agrees not to solicit or make any collections thereunder or to accept any payments from the Cardholder for the purchase of goods and/or services in a

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case where the Sales Draft evidencing the transaction has been sold to the Bank.

**Sales Drafts  
subject to Bank  
verification.**

44. All Sales Drafts deposited are subject to final audit and checking by the Bank and the Merchant agrees that in the case of inaccuracies, the Bank may charge or credit the Merchant's Designated Account without notice for any deficiencies or overages as the case may be. Any amount deposited by the Bank into the Designated Account shall be conclusively presumed to be correct unless disputed in writing to the Bank within 60 days. The Merchant hereby waives notice of default or non-payment, protest or notice of protest, demand for payment and any other demands or notices in connection with this Agreement.

### **Part III**

**The provisions set out in this Part along with applicable general provisions shall apply to P.O.S. Transactions**

**Rental of P.O.S.  
Equipment**

45. The Merchant shall, upon the terms and conditions set out below, rent from the Bank the P.O.S. Equipment described in the Merchant Application or such other additional or replacement P.O.S. Equipment which the Bank may provide to the Merchant from time to time, which additional or replacement P.O.S. Equipment shall be subject to the provisions hereof:
- (a) The rental term shall commence on the date of installation of the P.O.S. Equipment by the Bank or its agents and shall end upon the termination or expiry of this Agreement.
  - (b) The Merchant shall pay an monthly rental described in the Merchant Application or as varied hereafter by the Bank from time to time in its absolute discretion. The monthly rental shall be payable by the Merchant in advance at the commencement of each year of the rental term, with the first rental amount payable upon installation of the P.O.S. Equipment at the Merchant location.
  - (c) The P.O.S. Equipment shall be installed at the installation addresses described in the Merchant Application and upon completion of installation, shall be duly certified as operational by the Bank or its contractors.
  - (d) All P.O.S. Equipment, documentation, software and materials shall remain the sole property of the Bank and may not be copied, used or made available to others without the prior written consent of the Bank.
  - (e) The maintenance services for the P.O.S. Equipment rented from the Bank will be performed by the Bank or its contractors. The Merchant shall promptly inform the Bank of any malfunction or problems being experienced with the P.O.S. Equipment.
  - (f) Additional P.O.S. Equipment may be rented by the Merchant with the Bank's consent. The monthly rental fee for each additional piece of P.O.S. Equipment will become due immediately after the installation date of that piece of P.O.S. Equipment.
  - (g) The P.O.S. Equipment will be operated in accordance with the Bank's Operating Procedures in effect from time to time and may only be removed with the Bank's prior consent and at the Merchant's expense. The Merchant will provide all necessary connections and other facilities and pay for all expenses of installing and operating the equipment.
  - (h) The Merchant will be responsible for any loss (including theft) or damage to the P.O.S. Equipment other than ordinary wear and tear, and will, from time to time, permit the Bank and its designated maintenance personnel to inspect and repair the P.O.S. Equipment as necessary. The Bank shall not be liable to the Merchant for any loss, damage or expense (direct, indirect or consequential, for loss of profit or business or otherwise) suffered or incurred by the Merchant and arising from the P.O.S. Equipment's malfunctioning or from the P.O.S. Equipment's failure to operate for any reason, or from any failure to repair or delay in repairing it.

**Maintenance of  
P.O.S.  
Equipment  
Software**

46. All software maintenance will be the responsibility of the Bank. The costs associated with any special programming (including additional reports or features not contemplated at the time of execution of this Agreement) requested by Merchant after signing of this Agreement which is not deemed essential to comply with the terms of this Agreement shall be paid for by Merchant. The Bank will inform and co-ordinate with the Merchant regarding any intended P.O.S. Equipment or software changes that would directly affect P.O.S. services.

**Use of  
Equipment after  
Expiration of the  
Term**

47. If the Merchant shall continue to use the Equipment after expiration of the Term, then the rental of the P.O.S. Equipment shall be deemed to continue from month to month upon the same terms and conditions, subject to termination of this Agreement by either party in accordance with the provisions hereof.

**P.O.S.  
Transaction  
Limits &  
Approval**

48. All P.O.S. Transactions are subject to authorisation by electronic means, the Bank may establish limits for P.O.S. Transactions and transaction approvals from time to time in its absolute discretion. The Merchant shall use the P.O.S. Terminal to obtain authorisation and to capture transaction data and use the printer to produce a paper copy of the Sales Draft whether being a purchase by credit card or by a debit card transaction, all in accordance with the Bank's Operating Procedures. If the POS. If the Terminal is inoperative for any reason the limits established by the Bank shall

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still be applicable except if otherwise advised by the Bank in writing.

## Authorisation of transactions

49. The Merchant shall obtain an authorisation code via the P.O.S. Terminal. Except in the case of a Multilink Debit Card or any debit card stated to be for electronic use only, the Merchant may obtain "voice authorisation" by calling the Bank's Telephone Service Centre whenever: (a) the P.O.S. system is inoperative; (b) the P.O.S. Terminal is Offhost; (c) the Merchant believes or has good reason to suspect the Card which is presented to be counterfeit, stolen or that the transaction is in some manner suspicious; (d) the Merchant received a "Call Centre" message from the P.OS Terminal. The Merchant agrees to obtain a "voice authorisation" by calling into the Bank's Merchant Services Department and providing details on the Card as requested by the Bank's Merchant Services Department.

## Notification of Authorisation and Funds Transfer

50. In connection with the operation of the P.O.S. system, the Bank shall perform for the benefit of the Merchant the following services:
- (a) Transaction Authorisation - Upon receipt by electronic means of an authorisation request for a P.O.S. Transaction the Bank shall by electronic transmission inform the Merchant if the transaction is authorised or declined. If the transaction is authorised, the Bank shall inform the Merchant of the authorisation number. The Bank's response shall be displayed on the screen of the P.O.S Terminal and the Merchant shall record the authorisation number on the relevant Sales Draft.
  - (b) Electronic Funds Transfer – Upon the authorisation and subsequent consummation of a P.O.S. Transaction the Bank will credit the Designated Account for the amount of the P.O.S. Transaction less the commission referred to in Clause 22.

## The Merchant's Responsibilities for Debit P.O.S. transactions

51. In undertaking debit P.O.S. transactions, the Merchant must observe and comply with the following conditions:
- (a) All debit P.O.S. Transactions must be electronically authorised. The Merchant should not accept any Multilink Debit Card or other Card stated to be for electronic use only if his P.O.S. Terminal is inoperative or Offhost.
  - (b) The Merchant acknowledges that a Cardholder's P.I.N. is confidential and shall ensure that the Cardholder personally inputs his P.I.N. into the P.O.S. Terminal "P.I.N. Pad". The Merchant shall not request the Cardholder to disclose his P.I.N. or endeavor by any other means to obtain the P.I.N. from the Cardholder.
  - (c) The Merchant shall provide terminal receipts to each Cardholder. Such receipt shall clearly state the purchase price for the goods or services, the expiration date of the Card, the date and time of the transaction, the authorisation number and the Card number. Upon the Merchant's failure to observe any of these requirements the Bank may refuse to credit the Merchant's Designated Account with the total amount or may charge back the total amount of such transaction or sale.

## Additional Conditions to be observed by the Merchant for Point of Sale Transactions

52. In undertaking P.O.S. Transactions, the Merchant must observe and comply with the following conditions:
- (a) The Merchant shall safely keep and preserve the P.O.S. Equipment and other materials provided to the Merchant by the Bank. The Merchant shall also retain, for at least 18 months after each transaction, the Merchant's copy of all Transaction Receipts and shall deliver such copies to the Bank within four (4) days of having been requested by the Bank to do so.
  - (b) The Bank will not accept any Sales Draft or credit transaction slip which is manually processed unless it is a credit card transaction and the Merchant is able to demonstrate that manual procedures were necessary to effect the transaction due to the P.O.S. Terminal being inoperative or failure of communications or any act of God. In such case, the manually processed Sales Draft or transaction slip shall be delivered to the Bank's Merchant Services Department and branches of the Bank for processing. This provision shall not apply to transactions conducted with Multilink Debit Cards or Cards stated to be for electronic use only. The Bank shall be entitled to charge an increased commission fee determined by in it in its absolute discretion for manually processed transactions which ought to have been processed by electronic means.
  - (c) No later than 9:00 p.m. on each Business Day or such other time as the Bank may designate in its absolute discretion, the Merchant shall electronically transmit to the Bank's Data Centre all transaction data in respect of transactions processed and consummated at each P.O.S. Terminal on the Merchant's premises in accordance with the Bank's Operating Procedures as provided from time to time. The Merchant expressly acknowledges and agrees that his failure to comply with the provisions of this section may result in the imposition of fines and Chargebacks in accordance with applicable Bank's Operating Procedures.
  - (d) If any P.O.S. Terminal is Offhost the Merchant shall:
    - (i) promptly advise the Bank that the terminal is Offhost and obtain voice authorisation for any transaction. The voice authorisation procedures of this Agreement shall not apply to transactions conducted with Multilink Debit Cards or any Card stated to be for electronic use only;



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- (ii) continue to input information into the P.O.S. Terminal in respect of Sales Drafts and credit vouchers and will balance the transactions with the Bank when electronic link is restored.

If any P.O.S. Terminal is Offhost, the Merchant shall enter information in respect of Sales Drafts and credit vouchers into the P.O.S. Terminal as an off-line transaction when it becomes on-line. If any P.O.S. Terminal is inoperative or is Offhost at the time of balancing, the Merchant will contact the Bank's Telephone Service Centre for instructions.

- (e) The Merchant will, at the end of each Business Day, prepare a balance in respect of the sales transactions done at each P.O.S. Terminal in accordance with the Bank's Operating Procedures.
- (f) The Merchant shall indemnify the Bank from any liability, loss, damage or expense incurred by the Bank resulting from the Merchant's failure to use the P.O.S. Equipment in accordance with the Bank's instructions or procedures in effect from time to time other than any liability, loss, damage or expense caused by the Bank's gross negligence.
- (g) If the Merchant uses the P.O.S. Terminal to access any service which is not a service permitted by the Bank, the Bank shall not be liable for any costs, charges, damages or losses suffered or incurred by the Merchant resulting from the Merchant's use of that service and the Merchant shall indemnify the Bank in respect of any loss or damage which the Bank may directly or indirectly suffer as a result.
- (h) The Merchant will not tamper with, or attempt to modify any programme or set-up of the P.O.S. Equipment and shall ensure that no third party shall do or attempt to do any of the foregoing. The Merchant will be liable for any such violation whether committed by himself, an employee or a third party.
- (i) The Merchant will take all precautions to prevent unauthorised or fraudulent use of the P.O.S. Equipment and, without limiting that responsibility, the Merchant will ensure that P.O.S. Terminals cannot be used during non-business hours. The Merchant is responsible for the security of the P.O.S. Equipment and will be liable for all unauthorised, improper or fraudulent use thereof.

## **Part IV**

**The provisions set out in this Part along with applicable general provisions shall apply to Credit Card Transactions where the Card Holder is not present.**

**Processing  
Credit Card  
Transactions  
where  
Cardholder not  
present.**

- 53. The Merchant is allowed to process credit Card transactions without the Cardholder being present and without obtaining the signature of the Cardholder on the sales draft or transaction receipt under the following terms and conditions:
  - (a) The transaction must be one being conducted by the Cardholder with a Hotel or Car Rental organization or Airline or by mail order or by telephone order or otherwise in situations authorized by the Bank in advance.
  - (b) In each case the Merchant must complete either one of: (i) request or Order Form (mail order or telephone order transactions); (ii) reservation Form (Hotel or airline transactions); or (iii) rental Agreement (Car Rental transactions). The request, order, reservation form or Car Rental Agreement must include: (i) name of the Cardholder; (ii) address of the Cardholder; (iii) Card Account Number; (iv) expiration Date of the Card; (v) details of request, order, reservation or rental; (vi) details of recurring charges if applicable; (vii) delivery address if different from the address of the Cardholder.
  - (c) The Merchant agrees to and shall retain a copy of the request form, order form, reservation form or Rental Agreement for at least 18 months after the transaction date.
  - (d) The Merchant agrees not to charge to the Cardholder any additional charges not normally charged by the Merchant when conducting a usual credit card transaction with the Cardholder being present and/or having the Cardholder's signature on the sales draft or transaction receipt.
  - (e) The Transaction Limit will be zero and in all cases the Merchant shall call the Bank's Telephone Service Centre to obtain authorization of transactions.
  - (f) If the Merchant processes mail order or telephone order transactions, the Merchant must include 'TO' for a telephone order or 'MO' for a mail order on the signature line of the sales draft or transaction receipt. This is not applicable to hotels, Car Rental organizations or Airlines.
  - (g) Hotels, Airlines  
A hotel must participate in the Hotel Reservation Service. Where the Cardholder does not take up a reservation, a Hotel or Airline may submit a no-show charge to the Cardholder's account without there being a reservation form signed by the Cardholder. The Merchant may submit a delayed or amended charge to a Cardholder's account only if the Cardholder consented in writing to be liable for delayed or amended charges. The Merchant must submit to the Bank within Four (4) Business Days of the transaction, copies of: (a) the Reservation Form completed by the Hotel or

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Airline; (b) documentation showing the Cardholder's consent to pay for delayed or amended charges; (c) the name of person making reservation (if different from Cardholder) and; (d) the Hotel's or Airline's cancellation policy. The Merchant agrees to supply the Bank with any other documents requested by the Bank from time to time.

(h) Car Rental

Where the Cardholder does not take up a reservation made, the Car Rental organization may charge a no-show share to the Cardholder's account without there being a rental agreement signed by the Cardholder. The Merchant may submit a delayed or amended charge to a Cardholder's account only if the Cardholder signed the Car Rental Agreement and consented to be liable for delayed or amended charges. The Merchant must submit to the Bank within 4 Business Days after the transaction, copies of: (a) the Car Rental Agreement signed by the Cardholder; (b) documentation showing the Cardholder's consent to pay for delayed or amended charges including damages, if applicable; (c) a copy of the police report of the accident, if applicable; (d) a copy of the estimate of the cost of damages from an organization that can legally provide repairs, if applicable and; (e) a copy of the insurance policy, if applicable. The Merchant agrees to supply the Bank with any other documents requested by the Bank from time to time.

(i) Recurring Services

If Merchant is engaged in recurring services, the Merchant must: (i) obtain the Cardholder's written permission to periodically charge for recurring services; (ii) agree with the Bank on the method of submission if a P.O.S. Terminal was not issued; (iii) retain a copy of the Cardholder's written permission for at least 18 months from the date of each transaction for the duration of the recurring services; (iv) not complete and submit or transmit a recurring transaction if the Merchant does not obtain an approval code from the Bank; not complete and submit or transmit a recurring transaction if the Merchant receives a cancellation notice from the Cardholder.

(j) Requirements for Transaction Vouchers

Every transaction voucher submitted by the Merchant must include the words "Signature on File" and the Merchant must send a copy of the transaction voucher to the cardholder at the address shown on the Order Form, request form, reservation form or rental agreement.

(k) Cardholder Identity

In all cases the Merchant must establish the true identity of the Cardholder as the authorized holder of the Card by obtaining appropriate evidence of the Cardholder's identity and noting such evidence on the applicable request form, order form, reservation form, car rental agreement or transaction receipt. The fact that the Merchant has obtained authorization for a transaction does not negate the need for obtaining such identification.

(l) Bank's Right to Charge for Chargeback

The Bank has the right without notice to charge to the Merchant's Designated Account any Chargeback received on behalf of the Merchant and the Merchant agrees to pay on demand any such Chargeback indicated by the Bank. The Merchant further agrees to accept and pay any Chargeback for no show transactions where the Cardholder disputes the transaction or the Merchant's right to collect a charge.

(m) Provision of Cash Security

The Merchant agrees to provide cash security for the Merchant's obligations hereunder in the amount set out in the Merchant Application for the duration of this Agreement and to deposit such security to an account at the Bank and held by the Bank for the duration of this Agreement. The Merchant also agrees to increase the security as requested by the Bank in writing from time to time within 10 days from the date of the request. The Merchant further agrees that upon failure to maintain the required level of cash security the Bank has the right to cancel this Agreement forthwith without notice.

(n) Set-Off

The Bank may at its discretion use the cash security provided to set-off any outstanding charge backs or moneys not paid by the Merchant within 10 Business Days from the due date of such payment.