

Operational Terms & Conditions

a. Territory

Merchant must be located in Credorax's licensed area of use which comprises the following:

Alderney, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, France, Finland, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Netherlands, United Kingdom.

Unless otherwise agreed, the Merchant agrees to accept, from Merchant's location, Cards as payment for its goods and/or services supplied within the normal range of its activity and without discriminating any Cards. Merchant shall ensure that the Merchant's location shall meet the requirements as set under the Card Scheme Rules.

2. Transaction Types

- a. Merchant acknowledges that different rules may apply depending on the transaction type.
- b. Card Present (CP) Transactions: means transactions where the Card and the Cardholder are physically present at the point of sale and the Merchant accepts the Card via the terminal either by reading the card chip or the card magnetic stripe.
- c. Card Not Present (CNP) Transactions: means such transactions where the Card and the Cardholder are not physically present at the point of sale but the Merchant receives an instruction from the Cardholder to debit his account. These include: mail orders, telephone orders, fax orders and delayed or amended charges.
- d. Internet Transactions: means such form of CNP Transactions where the Cardholder gives his Card details to the Merchant over the internet for the purpose of processing payment.
- e. Recurring Transactions: occurs when a Cardholder gives a Merchant the authority to charge fixed or variable amounts at specific intervals over a period of time or until further notice such as in the case of subscription payments or regular payment of premium.

3. Prohibited/Restricted Industries

- a. Merchant acknowledges that Credorax has established and maintains a list of restricted industries and of Prohibited Industries.
- b. Restricted industries will only be accepted by Credorax if conditions set on a case by case basis are satisfied by the Merchant. Prohibited Industries will not, on the other hand, be accepted by Credorax. Credorax's restricted and prohibited industries may be viewed at http://www.credorax.com/legal/accepted_industry_policy. Credorax retains in all cases an absolute discretion to refuse to accept a Merchant, even where the conditions of the accepted industry policy are met.
- c. 3..
- d. Merchant acknowledges and agrees that it shall be within Credorax's sole discretion to determine whether or not any activities conducted by the Merchant are considered to fall under Credorax's restricted list or prohibited list.
- e. Credorax shall at all times retain the right to review and amend its restricted list and prohibited list, and any such review shall take effect on a date determined solely by Credorax.

4. Procedures

- a. Before honouring a Card, the Merchant agrees to verify that:
 - i. A valid authorisation must be obtained for each transaction.
 - ii. The printed 4 digits above the embossed Card Number match the first 4 digits of the Card number. Quasi-Cash Merchants, such as casinos and exchange bureaus, must write down the printed 4 digits on the 'Merchant's Copy' of the POS chit.
 - iii. the signature on the Transaction Receipt matches the name embossed on the face of the Card, the signature of the Card and the signature on the identification presented, if applicable;
 - iv. the presenter of the Card is the person whose name is embossed on the face of the Card;
 - v. the embossed account number on the face of the Card matches the printed number on the back of the Card and the account number of the Transaction Receipt;
 - vi. the Card, and in particular the signature panel, must not be visibly altered or mutilated;
 - vii. the Card has not expired;
 - viii. if applicable, that the presenter of the Card resembles the person depicted in any photograph intended for identification on the Card.
- b. Before presenting a Card for authorisation, the Merchant agrees to verify that the Merchant will not present for payment a transaction which has failed any one or more of the authentication checks attempted for that transaction type. Such authentication checks include but are not limited to CVV2/CVC2 and/or 3D Secure authentication.

5. Transaction Floor Limits

- a. Each transaction being processed and acquired by Credorax is subject to a floor limit, which the Merchant agrees to respect. These limits will be communicated by Credorax to Merchant and may be amended by Credorax, from time to time, at its sole discretion. Credorax is entitled to refuse the total value of a transaction, which exceeds its respective limit and which was otherwise previously authorised by Credorax. In the event that Credorax accepts such a transaction, the Merchant acknowledges that such transaction may be charged back in total to the Merchant at a later date.
- b. The Merchant agrees not to evade this limit by splitting a transaction into two or more smaller ones.
- c. Despite the foregoing, a transaction may exceed these limits if authorisation to that effect is previously obtained through Credorax's systems.
- d. The Merchant acknowledges that in the case of CNP Transactions and Internet Transactions, the floor limit is ZERO and therefore all such CNP Transactions and Internet Transactions must be previously authorised by Credorax.

6. Authorisations

- a. Merchants must request prior authorisation from Credorax for all transactions that exceed the floor limit as aforesaid.
- b. Each such request for authorisation shall be for the total original transaction amount, including applicable taxes.
- c. Authorisation can only confirm the availability of funds and that the Card has not been reported lost or stolen. Authorisation shall not be deemed or construed to be a representation, promise or guarantee that Credorax will accept the transaction and that the Merchant will receive payment, nor that the person making the transaction is the Cardholder.
- d. Authorisation may not be sought or obtained on behalf of any third party.

- e. Authorisation may be obtained electronically in the form determined by Credorax from time to time.
- f. Where goods are to be shipped or delivered or the services performed more than thirty (30) days after the original authorisation, the Merchant is required to obtain a new authorisation number before shipping or delivering the goods or performing the services.
- g. A Merchant must also request authorisation for each Recurring Transaction. This authorisation may be obtained as provided in 4 above.

7. Transaction Receipt

- a. Unless otherwise agreed, the Transaction Receipt shall record: the truncated card number and the expiry date of the Card; the date of the transaction; the amount of the transaction, including applicable taxes; the authorisation number, where applicable; the name, address and number of the outlet; the Cardholder's signature (if applicable) in case of Card Present transactions; the words "Delayed Delivery" if it has been agreed with the Cardholder that the goods or services will not be dispatched or rendered on the date the transaction is made. In case of such transactions;
- b. Merchant must not require the Cardholder to sign the Transaction Receipt until the final transaction amount is entered on the Transaction Receipt;
- c. The Transaction Receipt is the Cardholder's official acknowledgment of debt and no alteration may be made after signature.
- d. CNP and Internet Transactions: The Merchant must ensure and/or procure that the Cardholder is made aware of any Terms and Conditions or Cancellation Policy of the Merchant regulating the transaction prior to completing the transaction.
- e. On the Transaction Receipt, the Merchant is to write; the date upon which the goods or services are delivered or shipped or the services rendered to the Cardholder; and the words "Mail Order", "Telephone Order", "Internet Order" or similar applicable wording.
- f. A copy of the Transaction Receipt shall at all times be sent to the Cardholder, whether physically or electronically, or both.
- g. Merchant is to retain proof that the Cardholder or the Cardholder's agent signed a carrier delivery receipt for goods delivered to the Cardholder's address.

8. Document Retention Periods

- a. Transaction Receipts and other documents supporting the Transaction must be kept by Merchant for a minimum period of two (2) years from the date from when the goods are shipped or delivered or the services are performed. Such documents may include, but are not limited to the Cardholder's signed declarations, orders, applications, electronic transaction messages, rental agreements, hotel registration forms and invoices as applicable. Within this retention period, the Merchant must provide a copy of the relevant documents to Credorax immediately upon request. If a Transaction is disputed before the expiration of the retention period, all records relevant to the Transaction must be stored until the dispute is finally resolved. Recurring Transactions:
- b. Merchant must retain a copy of the written agreement entered into between the Merchant and the Cardholder for a period of two (2) years from the date of payment of the last Transaction or Recurring Transaction (as applicable). If a longer retention period is required pursuant to a specific country law or regulation, the Merchant must

retain said agreement in accordance with the timeframes required by such law or regulation. If the Transaction is disputed before the expiration of the retention period, the agreement must be retained until the dispute is finally resolved.

9. Recurring Transactions

- a. Before submitting the first Recurring Transaction, the Merchant must (i) obtain the Cardholder's consent to charge their Card for the same or different amounts at specified or different times; and (ii) notify the Cardholder that they are able to discontinue the Recurring Transaction at any time. The method the Merchant uses to secure the Cardholder's consent must contain a disclosure that the Merchant may receive updated Card account information from the financial institution issuing the Cardholder's Card. The Merchant must retain evidence of such consent for eighteen (18) months from the date the last Recurring Transaction is submitted by the Merchant.
- b. The transaction will not be honoured if: the Cardholder withdrew his authority to charge his account with the Recurring Transaction 15 calendar days prior to settlement date; the Cardholder's account was closed before transaction was processed; the Card issuer charged back the initial membership transaction, by mail or phone, and the Cardholder did not expressly renew; or there is any other valid reason.
- c. In the event that Merchant processes Recurring Transactions for services such as insurance services, Merchant acknowledges and agrees that Credorax undertakes no responsibility on Merchant's behalf for the collection from or timely remittance of premiums or other dues by the Cardholders and Merchant agrees to indemnify and hold Credorax harmless from and against any claim, loss and/or liability to a Cardholder (or former Cardholder) arising out of the termination of his or her service coverage including insurance service cover.

10. Refunds

- a. The Merchant must disclose its refund policy to Cardholders at the time of the purchase and in compliance with applicable law and the refund policy shall not be less favourable for any Card than it is for other Cards.
- b. Merchant agrees that it shall not make any cash refund to the Cardholder with respect to the return of any merchandise or services previously purchased with his Card. In such cases, the refund shall be made, by crediting the account on which the original transaction was carried out. Refund transactions can only be made to reverse previously processed transactions: provided that in case of gambling Merchants, disbursements of winnings shall be allowed provided that: (i) the credit is effected to the same account number that was used to place the winning wager; and (ii) the transaction representing the winning wager was lawfully made and properly identified.
- c. 3. Merchant must process a reversal or an adjustment if a Transaction Receipt was processed in error and this within 14 days.
- d. 4. Where the Cardholder's authorisation did not specify the exact amount of the payment transaction when the authorisation was made and the amount of the Transaction exceeded the amount the Cardholder could reasonably have expected taking into account his or her previous spending pattern, the conditions in his or her agreement with the Merchant and other relevant circumstances of the case (but not fluctuations in the rates of exchange where applicable), then, provided the Cardholder asks for a refund within eight (8) weeks from the debit date to the Cardholder's account, Credorax will refund the Cardholder's account with the full amount of the Transaction by debiting the Merchant's Account. At Credorax's request, the Merchant shall provide factual elements related to the conditions of the Cardholder's Agreement with the Merchant.

11. Delayed or Amended Charges

- a. Merchants offering accommodation services, services on board a cruise liner or car rental services may process delayed or amended charges if the Cardholder has consented in writing to be liable for such delayed or amended charges.
- b. Solely with respect to MasterCard, Merchant is required to obtain a separate authorisation from the Cardholder before processing the delayed or amended charge. Unless a separate authorisation is obtained, the delayed or amended charge will be subject to full recourse in case of dispute. A delayed or amended charge must be processed to the Cardholder's account within 30 calendar days of the original transaction date. In these cases, Merchant must process a CNP Transaction and include the words 'Signature on File' on the Transaction Receipt.
- c. Merchant must also send a copy of the Transaction Receipt to the Cardholder's address shown on the rental contract, hotel or cruiser liner registration, as applicable.

12. Gambling Merchants

- a. "Gambling Transaction" means any transaction involving any of the activities of betting, wagering, lotteries or involving any activity designated as gambling activity by Credorax;
- b. "Prohibited Countries" means the list of countries set out in the Operational Terms and Conditions, as the same may be amended from time to time at Credorax's sole discretion and without prior written notification to the Merchant and any countries where Merchant provides for unlicensed gambling services even though Merchant is required by law to obtain a license.
- c. The Merchant acknowledges and agrees that it shall not use Credorax to process Gambling Transactions in any of the Prohibited Countries.
- d. The Merchant agrees that the list of Prohibited Countries shall not be considered as legal advice and it is the Merchant's obligation to ensure that it is aware of and fully compliant with any laws, statutes, regulations, codes, restrictions and requirements that may affect its ability to carry out its business lawfully.
- e. The Merchant acknowledges that it has been made aware that the Card Schemes have established requirements, including – but not limited to – website requirements, applying specifically to merchants processing Gambling Transactions, and that it shall at all times comply with any such rules, as the same may be amended from time to time.
- f. The Merchant shall ensure that it shall have appropriate controls in place to identify legitimate customers and to block suspicious activities or cards.
- g. The Merchant agrees that it shall provide to Credorax any such information and documentation as Credorax may require from time to time to enable verification of the services provided by the Merchant and that Merchant is in full compliance with its obligations as set out in this Schedule and as established under all applicable laws and regulations.
- h. Before accepting any cardholder for the purpose of providing Gambling Transactions to such Cardholder, the Merchant shall ensure that it shall inform the Cardholder that Internet gambling may not be lawful in some jurisdictions, including but not limited to - the United States, and shall suggest that the Cardholder check whether Internet gambling is lawful under applicable law.
- i. The Merchant shall immediately inform Credorax of any suspicious activities or Transactions, whether or not such activities or Transactions are blocked, rejected or otherwise not accepted by the Merchant
- j. Each internet gambling Merchant must request that Cardholders identify the state or foreign country where they are physically located at the time of the transaction. The

Merchant must record the response and retain it, along with the Card account number, the transaction amount, and the transaction date. The Merchant must retain this information for a minimum of one year from the transaction date and provide it to Credorax upon request.

- k. Merchant must post a notice on each of its Web sites (in a position such that the notice will be displayed before requesting a Card account number, such as a click-through notice) stating that assertions have been made that Internet gambling may not be lawful in some jurisdictions, including the United States, and suggesting that the Cardholder check whether Internet gambling is lawful under applicable law or regulation.
- l. Unless the Merchant is a registered Payment Facilitator, the Merchant agrees not to sell chips or other value that can be used, directly or indirectly, to gamble at locations other than those that the Merchant wholly owns.
- m. Merchant represents and warrants that: (i) it complies and shall at all times comply with all applicable laws and regulations (including but not limited to the US Unlawful Internet Gambling Enforcement Act of 2006) and it holds all necessary regulatory permissions and licenses in the country where Merchant has its principal place of business and in the relevant territories where it accepts Gambling Transactions; and (ii) it has implemented and will maintain appropriate technical and organizational measures and established and implemented policies and procedures reasonably designed to identify and block or otherwise prevent or prohibit illegal Gambling Transactions.
- n. Merchant shall indemnify, defend and hold harmless Credorax, its parents, subsidiaries, affiliates, officers, representatives, agents and employees against any and all claims, damages, losses, suits, actions, demands, proceedings, liabilities, costs, expenses or attorneys' fees (including those necessary to successfully establish the right to indemnification) threatened, asserted or filed against them, arising directly out of a breach of any clauses as set forth in this section. This liability is not limited by any limitation in liability that may be expressed elsewhere in the Agreement.
- o. Without prejudice to any other ground for suspension or termination under the Agreement, Credorax reserves the right to suspend the provision of the Credorax Services, or to exercise immediate termination of the Agreement, whether in relation to all or part of the Credorax Services in the event: (i) of a material breach of this Schedule, any law, rule or directive established by any relevant national or international authority and/or of the Card Scheme Rules; (ii) that the Merchant at any time does not possess or renew any relevant license, permit or authorization allowing it to lawfully process Gambling Transactions; (iii) that the Merchant fails to notify Credorax in writing of any material change in the nature of the Merchant's business, goods and/or services or of any additional business the Merchant commences or any material business the Merchant closes down within 5 business days of such change; (iv) anything happens to Merchant or in relation to Merchant or arising from or incidental to Merchant's business or the conduct of the Merchant's business (including trading practices and individual activities) which Credorax considers disreputable or capable of damaging the reputation of Credorax or that of any financial institution, detrimental to Credorax's business or that of any financial institution in its financial network or that may give suspicion of any criminal activity.

13. Car Rental Merchants

- a. When a Cardholder wishes to use the Card to hire a vehicle from the Merchant, the Merchant must sign a Rental Agreement with the Cardholder and procure that such Cardholder acknowledges all applicable Terms and Conditions.
- b. The Merchant shall obtain authorisation for the full estimated amount of the transaction ("**Estimated Rental Transaction**"). The Estimated Rental Transaction shall be determined by multiplying the rate by the rental period reserved by the Cardholder. The Merchant shall not overestimate this amount and shall not include an amount for any possible damage to or theft of the vehicle. If the Merchant fails to obtain authorisation for the Estimated Rental Transaction and the Cardholder fails to pay the transaction for any reason, Credorax shall have recourse for the full amount of the transaction. Upon return of the vehicle, the following terms shall apply:
 - i. if the final transaction is no greater than the Estimated Rental Transaction plus 15% of such Estimated Rental Transaction, no further authorisation shall be necessary;
 - ii. if the final transaction is greater than the Estimated Rental Transaction by more than 15%, the Merchant shall obtain authorisation for any additional amount of the transaction which is greater than the Estimated Rental Transaction. If the Merchant fails to request such authorisation for the additional amount, or authorisation is declined, and the Cardholder fails to pay the transaction for any reason, Credorax shall have recourse for the amount of the transaction in excess of the Estimated Rental Transaction. Credorax shall have the right to periodically monitor the Merchant with the authorisation procedures set forth above.
- b. 3. The Merchant must wait 20 business days from the date of the confirmation receipt provided to the Cardholder before processing a Delayed or Amended Charge Transaction.

14. Accommodation Merchants

- a. When a Cardholder wishes to use the Card to pay for lodging, the Merchant must procure that the Cardholder signs the Registration Form and acknowledges all applicable Terms and Conditions. A Card imprint must be obtained. At the time of check-in, the Merchant is required to obtain authorisation for the full estimated amount of the transaction based upon the room rate and the number of days that the Cardholder expects to stay, plus taxes and other known ancillary amounts ("**Estimated Transaction**"). The Merchant shall not overestimate this amount. If the Merchant fails to obtain such authorisation, and the Cardholder fails to pay for any reason, Credorax shall have recourse for the full amount of the transaction. Upon check-out:
 - a. if the final transaction is no greater than the Estimated Transaction plus 15% of the Estimated Transaction, no further authorisation is necessary.
 - ii. if the final transaction is greater than the Estimated Transaction by more than 15%, the Merchant is to obtain authorisation for any additional amount of the transaction which is greater than the Estimated Transaction. If the Merchant fails to obtain such authorisation, or authorisation is declined, and the Cardholder fails to pay for any reason, Credorax shall have recourse for the amount of the transaction in excess of the Estimated Transaction.
- b. An Accommodation Merchant is entitled to charge a Cardholder one night's lodging in the event that the Cardholder has either not registered by check-out time the day following the scheduled arrival date or has not properly cancelled a reservation in which case Credorax's prior authorisation is required. The Cardholder must be advised of this condition when making the reservation. If a Cardholder has not claimed or cancelled an accommodation reservation by the specified time, the Accommodation Merchant must hold the rooms available according to the reservation until check-out time the following day. The Accommodation Merchant may then process a Card transaction in the form of a CNP Transaction and complete a Transaction Receipt that must contain the following: The amount of one night's lodging plus applicable tax; The Cardholder's name, card number and expiry date; The words 'No Show' on the signature line.

15. Timeshare Merchants

- a. **“Timeshare transaction”** means an arrangement under which a purchaser receives an interest in real estate and the right to use an accommodation or amenities, or both, for a specified period and on a recurring basis. Any transaction meeting this definition may be considered as Timeshare and will be subjected to the International Payment System’s regulations on Timeshare transactions. For the purpose of the Merchant Agreement and these Terms and Conditions, ‘International Payment System’ shall mean Visa International, Europay/ MasterCard, Amex and/or any other card scheme as may be applicable to the Merchant from time to time. A Timeshare Merchant must provide a full credit refund for a previously processed CNP Transaction when the Cardholder cancels a transaction within 14 calendar days of the original transaction date.

16. Customer Activated Terminals (“CAT”)

- a. Credorax will accept transactions which are activated at the CAT by a Cardholder and unattended by the Merchant, subject to the following: authorisation, including provision of the full magnetic strip datastream, must be obtained for every transaction; the authorisation and clearing messages should be flagged with a CAT indicator;
- b. Petrol dispensers should initiate an authorisation request for a nominal amount before any fuel is dispensed, valid for the maximum transaction amount shown on the Application or as is otherwise notified to the Merchant;
- c. Cashback must not be provided through a CAT;
- d. the Merchant agrees that Credorax will have the absolute right to be reimbursed by the Merchant or Credorax can offset such amounts due to the Merchant for any and all transactions Credorax purchased from you which are for any reason uncollectable due to fraud regardless of whether Credorax had notice of such defect at the time of the purchase. Credorax will have this right even if the Merchant has received an authorisation approval code and has complied with all other provisions of this Merchant Agreement and these Terms and Conditions;

17. Cash and Quasi-Cash Merchants

The Merchant must validate the Cardholder’s identity. The Merchant agrees to: obtain a valid authorisation for each transaction; swipe the Card through the CAT, or obtain a manual imprint; ask for photo identification to validate the Cardholder’s identity; if the Card bears a photograph intended for identification, verify that the Cardholder resembles the person described in this photograph; indicate the positive identification on the Transaction Receipt, including: description of identification, including any serial number; notation that the Cardholder’s identity was verified by the photograph on the card, if applicable. verify that the signature on the Card matches the signature on the Transaction Receipt and the identification presented; process the PIN if applicable.

18. Aggregated Pricing

This clause applies to Merchants which have agreed to Merchant Discount Rate (MDR) pricing or IC+ pricing in the pricing section of the Merchant Agreement:

The Merchant agrees that with reference to the obligation under Regulation (EU) 2015/751, the Merchant has elected to be charged Fees in blended form as set out in the Merchant Agreement. The Merchant understands that it may request unblended Fees and specified information on the components of such Fees applicable with

respect to each category and brand of payment cards for those cards that are subject to Regulation (EU) 2015/751 and in accordance with same.

19. Information – EEA Only

It is hereby acknowledged and agreed that the Merchant has elected to receive the information on individual payment transactions required to be provided by Credorax to the Merchant under Regulation (EU)2015/751, on an aggregated basis.

20. Card Scheme Rules

The Merchant may obtain information on the Card interchange fees as well as the relative rules and regulations from their respective websites (e.g. Visa - www.visaeurope.com /MasterCard - www.mastercard.com).

21. Settlement

- a. In order to cover administrative and other costs, Credorax shall only settle funds to the Merchant where the said funds exceed the below listed amounts.

Settlement Currency Name	Settlement Currency Code	Payment Thr
Australian Dollar	AUD	100
British Pound	GBP	100
Canadian Dollar	CAD	100
Czech Koruna	CZK	3000
Danish Krone	DKK	750
Euro	EUR	100
Hong Kong Dollar	HKD	1000
Japanese Yen	JPY	15000
New Zealand Dollar	NZD	200
Norwegian Krone	NOK	1000
Polish Zloty	PLN	500
Singapore Dollar	SGD	200
South African Rand	ZAR	1500
Swedish Krona	SEK	1000
Swiss Franc	CHF	100
Turkish Lira	TRY	300
US Dollar	USD	100

- a. Credorax reserves the right, at its sole discretion, to amend the minimum payment thresholds with respect to any one or more of the currencies accepted by Credorax.
- b. Settlement shall occur in a frequency as agreed between Parties or between Credorax and Provider (acting on behalf of Merchant), and shall be subject to certain days of funding delay as stipulated by Credorax. Weekends and Maltese public holidays are not settlement days and are excluded from being calculates as a funding delay day.

22. Disputes with Cardholders

- a. The Merchant must maintain customer service information that is readily available for review by the Cardholders. The customer service information should include clear instructions on how to contact the Merchant in relation to any Transaction. The instructions must provide at a minimum, an active customer service e-mail address and a customer service telephone number for the Merchant.
- b. Card issuers may refuse to settle a transaction undertaken and processed by a Merchant in any, but not limited to the following cases and events,
 - a. The signature on the Transaction Receipt is different from that on the Card;
 - b. the transaction was not authorised by the Cardholder and/or no clear instruction was received from the Cardholder;
 - c. the Transaction Receipt is altered after the cardholder has signed it;
 - d. The transaction Receipt is for any reason incomplete;
 - e. the Card has expired at the time of the transaction;
 - f. the amount charged does not correspond to the value of the goods or services purchased or rendered;
 - g. the sale price is in excess of the authorised floor limit and no authorisation has been obtained from Credorax;
 - h. a negative authorisation response was given or no authorisation number was given or if given, was not properly recorded or authorisation was not properly requested or obtained;
 - i. the Merchant does not follow the acceptance procedure for Chip and PIN Cards as indicated in these Operational Terms and Conditions.
 - j. the Cardholder disputed the transaction because the goods were not received or were defective, or the services were not performed or were inadequate;
 - k. the Transaction was made with a counterfeit or altered Card;
 - l. the transaction was for any reason fraudulent, ineligible or illegal;
 - m. the transaction was split into two or more transactions;
 - n. there has been any departure from the terms of the Merchant Agreement and/or these Terms and Conditions in relation to that transaction.
- c. Credorax may, at its discretion, but shall not be obliged to, elect to treat any such transaction as valid.
- d. In case of such disputes, the Cardholder's issuing bank may request Credorax to provide a copy of the Transaction Receipt. Credorax will request this copy and any other documentation, information or explanation relevant to the transaction from the Merchant in writing. The Merchant is obliged to provide the foregoing within the stipulated time indicated in Credorax's request, for onward transmission to the Cardholder's issuing bank, in default of which, Credorax shall have recourse for the gross transaction amount. For the avoidance of doubt, Credorax's right of recourse to the gross transaction amount applies to all transactions.

- e. Credorax will not, under any circumstances, interfere with, or accept responsibility for, any disputes arising between the Merchant and a Cardholder in respect of goods or services acquired with a Card. Credorax reserves the right to deduct from its settlement the amount under dispute if this amount would not have been paid by the Cardholder. In such cases, the Merchant is entitled to undertake all such steps as may be necessary to recover this amount, and the right to obtain payment from the Cardholder will be assigned by Credorax to the Merchant.
- f. Credorax has the right to debit the Merchant or to otherwise recover from the Merchant by any means the amount of a Chargeback. Credorax's rights to do this are not affected by any arrangement entered into between the Merchant and the Cardholder.
- g. In addition, Credorax shall have the right to recourse in the event that the Merchant's loss to billings percentage exceeds in any given month, for any reason whatsoever, five per cent (5%), or such other percentage as Credorax shall from time to time notify to the Merchant.
- h. CNP Transactions are subject to full recourse; the Merchant is fully liable for such transactions.

23. Prohibitions

- a. The Merchant is prohibited from the following:
 - a. requiring any Cardholder to pay a surcharge, whether through any increase in price or otherwise, or allowing a discount for accepting other payment methods, unless specific country laws allow the Merchant to impose a surcharge. In any event, the Merchant must include the surcharge amount in the transaction amount, not separately.
 - b. accepting a Card for goods and/or services which fall outside the nature of the business indicated in Schedule 1 of the Merchant Agreement and/or, in the case of a corporate Merchant, which fall outside its objects as specified in its Memorandum and Articles, statute or similar constitutional document.
 - c. accepting a Card for prostitution, child pornography, or for goods or services for which the provision thereof is illegal (e.g. drug trafficking, unlawful sale of prescription drugs, unlawful sale of tobacco).
 - d. accepting a Card for unregulated charities.
 - e. accepting a Card for sales where the amounts charged do not correspond with the value of the goods or services purchased or rendered.
- ii. f. accepting a Card for sales made under a trade or business name, business affiliation and/or industry which is different from that agreed with Credorax;
- iii. g. accepting a Card for amounts which do not represent a bona fide sale of goods or services at the Merchant's outlet.
- iv. h. accepting a Card for a transaction which the Merchant knows or should know to be fraudulent or not authorised by the Cardholder.
- v. i. accepting Cardholder payments for previous Card charges.
- vi. j. Disbursing funds in the form of cash, unless specifically authorised in writing to do so.
- vii. k. Accepting any cash payments with respect to charges for goods or services that are included on a Transaction Receipt resulting from the use of a Card.
- viii. l. Processing a transaction for collection of a dishonoured cheque.
- ix. m. Accepting the Card or submitting transactions for settlement on behalf of another Merchant or other third party.
- x. n. Revoke, or in any way change/alter any instructions given to the Merchant's bank, by which Credorax was authorised in terms of the Merchant Agreement to debit any sums from the Merchant's bank account.
- xi. o. Splitting the total amount into smaller amounts, to avoid authorisation. Exceptions to this rule are: purchases in separate departments of a multiple-department store; individual airline or cruise

tickets issued to each passenger if required by airline or cruise line policy; partial amount paid by the Cardholder in cash, cheque or both at the same time;

- xii. p. Delayed Delivery transactions meaning a single transaction where a Cardholder completes two separate Transaction Receipts. The first Transaction Receipt functions as a deposit for goods or services; the second is to pay the balance due to the Merchant.
- xiii. q. Presenting for payment a transaction which has failed any one or more of the authentication checks attempted for that transaction type. Such authentication checks include but are not limited to Cardholder ID, Cardholder signature, PIN, CVV2/CVC2 and 3D Secure authentication. (CVV2/CVC2 = Card Verification Value printed on the back of the Card in or next to the signature panel).
- xiv. r. Applicable to AMEX Cards only: The Merchant is prohibited from accepting the Card for internet adult content sites, forex, cheque cashing, real estate down payments, mortgage payments and other debt related real estate products, debt collection, door to door sales, escort services and massage parlours, investment on futures maturity/value of goods, medical marijuana dispensary, multi-level pyramid selling, donations to political parties, travel, telecommunications, gambling goods or services, damages, losses, penalties or fines of any kind, overdue amounts, or amounts covering returned or stop-payment checks, cash, to verify the customer's age or any other items of which we notify you from time to time.

24. POS Terminal

The Merchant shall ensure that any utilized POS terminal complies with all applicable requirements as may be outlined by local laws, rules and regulations and by the Card Schemes. The Merchant is to ensure that the entry of a user's Personal Identification Number (PIN) on the Terminal/s is not recorded by CCTV.

25. Honour all Cards

Effective from 9th June 2016:

A Merchant must be able to allow a Cardholder to choose which payment scheme is used to initiate a transaction, for all payment schemes that that Merchant supports.

If a Merchant chooses to stop accepting a type of payment card within a particular brand of cards, it must give Credorax no less than 30 days advance written notice together with the reasons thereof. A Merchant that accepts a payment card of a particular brand must also accept other payment instruments of the same brand which are subject to the same regulated interchange fee, when properly presented for payment.

A Merchant is not prevented from expressing a preference for the use of a particular payment card. A discount or other benefit may be applied at a POS location in the Europeab Region as defined by the respective card scheme.

26. Card Scheme and Internal Thresholds and Associated Fines.

All fines and reporting fees imposed by the Card Schemes regulations will be borne by the Merchant. Fines will be imposed if the following Card Scheme thresholds are exceeded:

Visa Thresholds

Maximum 2% and 200 Chargebacks in a month

Fine (if the threshold is exceeded) – US\$ 100 per Chargeback

The chargeback ratio is calculated as a % by dividing the number of chargebacks received in one month by the number of transactions processed in the same month.

MasterCard Thresholds

1% and 100 Chargebacks – Chargeback Monitored Merchant (CMM)

1.5% and 100 Chargebacks – Excessive Chargeback Merchant (ECM)

The chargeback ratio is calculated as a % by dividing the number of chargebacks received in one month by the number of transactions processed in the previous month.

For the purposes of the Merchant Agreement, Credorax's internal thresholds are as follows: 10% and 100 Chargebacks per month.