AMPERSAND PAY SDN BHD

Merchant Services
Terms and Conditions

OVERVIEW

By completing and signing the Ampersand Pay Sdn Bhd **("APSB")** Merchant Application form and subject to acceptance of your application by APSB either by giving you the Approval of Merchant Services Letter or the commencement of provision of the services to you ("**Merchant/you"**), AND you by paying the relevant fees, deposits (if any) and/or commence using the Merchant Services, you unequivocally agree to receive payment instrument processing facilities and services ("**Merchant Services"**) on the terms set out in this Merchant Services Terms and Conditions. And you have also undertaken the necessary risk assessment to mitigate any potential risks that may emerge in relation to this arrangement with APSB.

Our Merchant Services is collectively govern by the terms of the Merchant Services Terms and Conditions ("**Terms and Conditions**"), Merchant Application Form (as amended from time to time), Approval of Merchant Services Letter, privacy statement, consent for conducting reference checks, the General Terms (including Schedule 1 Operating Procedures) any Rules incorporated by reference (such as the Association Rules) and any Supplemental Terms and Conditions updated to you from time to time. The 'Services' and 'Fees' sections in the Merchant Application Form and Approval of Merchant Services Letter indicate the types Merchant Services you have elected to receive. We reserve the right to reject the Merchant Application Form and will not be required to provide you with a reason for the rejection.

APSB is an Acquirer registered by Bank Negara Malaysia (**BNM**) pursuant to the FSA to provide merchant acquiring services. As part of its merchant acquiring business, it provides merchant services (vis-vis payments vide credit cards, charge cards, debit cards and e-wallet) to merchants in its capacity as an acquirer, third-party acquirer, payment facilitator and master merchant, on behalf of other merchant acquirers or e-money issuers (banks and non-banks) approved by BNM.

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GENERAL TERMS

1.0 EQUIPMENT AND GETTING STARTED

1.1 Site Preparation and Installation

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

1.2 Own equipment

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

(a) such Equipment must comply with all regulations, policies and certification procedures specified by us from time to time; and

(b) you are solely responsible for maintaining, repairing and replacing your own Equipment, whereas any losses, liabilities, damages and expenses arising out of the use of your Equipment, you shall not hold us liable or responsible.

1.3 Supplied equipment

(a) If your Merchant Application Form indicates that Equipment will be supplied as part of the Merchant Services, then we will provide and maintain such Equipment (**Supplied Equipment**) in accordance with this clause 1.

(b) We will deliver and install the Supplied Equipment to you at the site designated by you in the Merchant Application Form.

(c) Any Supplied Equipment remains the personal property of APSB and will not under any circumstances be considered to be affixed to your premises

(d) You are to indemnify us against any losses, liabilities, damages and expenses arising out of the use of supplied equipment at a cost of Ringgit: One Thousand Five hundred Only (RM1,500/-) for each terminal.

1.4 Use

(a) You must:
- (i) ensure that the Supplied Equipment is operated by competent and qualified personnel in accordance with any operating instructions furnished by us only for the purposes contemplated by this Terms and Conditions;
- (ii) safeguard the Supplied Equipment from loss, damage, unauthorised use, misuse or theft. You must notify us immediately regarding any damage to or loss of such equipment;
- (iii) not lease or sublease the Supplied Equipment, or pledge, lend, create a security interest in, directly or indirectly create, incur, assume or allow to exist any other consensually or judicially imposed liens or encumbrances on the Supplied Equipment;
- (iv) not remove, disconnect, relocate, modify or in any way alter any equipment used in connection with the Merchant Services we are providing to you without our prior written consent;
- (v) only use our stationery for processing the Payment Instrument transactions. If you need more stationery you can purchase it by contacting APSB
- (vi) contact APSB if you require additional equipment. There may be additional costs or fees charged to you in connection with any new equipment ordered;

(b) We or our respective agents may enter your premises at any time on reasonable notice to install, inspect the condition of, replace or repair the Supplied Equipment and any Software as defined in **Clause 1.6**.

1.5 Maintenance

(a) If an item of Supplied Equipment appears to be defective, you must immediately call/email APSB, during office hours to the number provided and email after office hours to the email address provided. We will:
- (i) provide general support, assistance and advice regarding the technical and operational feature of the Supplied Equipment; and
- (ii) use best endeavours to identify and rectify faults in the Supplied Equipment including Software via remote access or on-site support and maintenance as may be appropriate (in which case you must allow our representatives at any reasonable time during business hours to enter your premises for the purposes of inspecting, examining or repairing the Equipment).

(b) In providing maintenance services, we will response within four (4) hours during working days and eight (8) hours on non-working days. You agree to pay the maintenance fees set out in the Merchant Application

Form/Merchant Services Approval Letter .

1.6 Software Licence

(a) We own, or have appropriate licences to use and sublicense, all software, computer programs, related documentation, technology, know- how and processes embodied in or provided in connection with the Supplied Equipment (together **Software**).

(b) You are only granted a non-exclusive licence to use the Software in your operation of the Supplied Equipment for the term of this Merchant Services. You must not reproduce, communicate, modify or reverse engineer the Software. You must not give any third-party access to the Software without our prior written consent. Where we provide maintenance, we may use a third-party service provider to access the Software. Under such circumstances, we will give you due notice in writing or stipulate it in the Merchant Services Approval Letter as to who the Service Provider will access the Software.

2.0 PROCESSING REQUIREMENTS

2.1 Your obligations

(a) During the term of the Merchant Services, the Merchant Services will be subject to these Terms and Conditions.

(b) You agree:

- (i) To accept the use of a Payment Instrument in payment of the purchase price by the Payment Instrument User of goods or services purchased from you and not promote payment method more favourable than others;
- (ii) To display prominently any decals, insignia, advertising or promotional materials, including symbols indicating which payment instruments (such as the Visa symbol, Mastercard symbol, E-Wallet and other Schemes marks and symbols if applicable) are accepted by you, and use such materials (**Marketing Materials**) supplied to you by us in relation to the Merchant Services at our direction;
- (iii) Not to alter any Marketing Materials;
- (iv) That if you conduct an Internet business, that the use of the Merchant Services is not an endorsement of your business by us and to display a notice to that effect on your website; and
- (v) Not to enter into or is otherwise bound by any arrangement and/or agreement with any person for the collection of any of the Charges effected by a Payment Instrument.

2.2 Transaction procedures

a) You must follow all procedures and requirements relating to any Payment Instrument transactions set out in these Terms and Conditions, including complying with the Operating Procedures and applicable Association Rules, as amended from time to time. Please take the time to read the Schedule 1 Operating Procedures, as they set out important information regarding the processing of Payment Instrument transactions. If there are any inconsistencies between the General Terms and the Schedule 1 Operating Procedures, the General Terms prevail.

b) To process transactions correctly:

- (i) You must accept any Payment Instrument type listed on your Merchant Application Form,
- (ii) you must use your Equipment to process all transactions unless it is not working;
- (iii) you must only process transactions if the Payment Instrument user has received the goods or services from you, unless the Payment Instrument user has agreed to receive them later;
- (iv) you must not split a single sale into more than one transaction;
- (v) you must not process a transaction after receiving a decline response, and must stop accepting any Payment Instrument as soon as we tell you to do so;
- (vi) all details on the Sales Receipt must be true;
- (vii) the Payment Instrument transaction must not be subject to any dispute, set-off or counterclaim;
- (viii) you must have no knowledge or notice of any fact or circumstances which would indicate that the Payment Instrument transaction was fraudulent or not authorised by the Payment Instrument user;
- (ix) the Payment Instrument transaction must be made in accordance with these Terms and Conditions, including any applicable Association, E-Money issuer Rules and Schedule 1 Operating Procedures;
- (x) the Payment Instrument transaction must not be a payment for goods or services that violates any applicable law of the country;
- (xi) Cash advances are not permitted on any Payment Instruments;
- (xii) In the case of Payment Instrument present transactions, you must not manually key-in a transaction should a Payment Instrument does not function correctly through your terminal; and,
- (xiii) unless required or permitted by law, you must not impose or require the Payment Instrument user to pay surcharge, commission, discount whether through any increase in price or otherwise, or any other term or condition whatsoever on any Payment Instrument user desirous of using the Payment Instrument.

c) Without prejudice to the generality of the aforesaid, you must not allow the use of the Payment Instrument for transactions forbidden by the Payment Instrument Association's operating regulations including and/or other regulated Payment Instrument Schemes but not limited to:

(i) the use of the Payment Instrument to refinance an existing debt or Payment Instrument user;
(ii) the use of the Payment Instrument as payment for dishonoured cheque;
(iii) the use of the Payment Instrument as payment by Payment Instrument user of charges already charged to a Payment Instrument;
(iv) the use of the Payment Instrument for cash disbursement;
(v) the use of the Payment Instrument for internet gambling;
(vi) the use of the Payment Instrument as payment by the Payment Instrument user of debt or charges owed to any party other than the Merchant.
(vii) the use of the Payment Instrument for sale of goods or services that infringes the intellectual property of another.
(viii) the use of the Payment Instrument for illegal sale of prescription drugs.
(ix) the use of the Payment Instrument for illegal sale of drugs stipulated in the Controlled Substances Act (CSA)
(x) the use of Payment Instrument for illegal sale of tobacco products
(xi) the use of Payment Instrument for sale of child pornography

2.3 Transaction records

You must:

a) provide us with your records, and all information and assistance that we may reasonably require, relating to any Payment Instrument transactions when we request them;

b) keep in a secure manner all Payment Instrument transaction records for at least 2 years from the date of delivery of the goods or services in case a Payment Instrument user disputes the transaction or such longer timeframe as may be required by the applicable Association & E-Money Issuer Rules from time to time;

c) give us a clear and legible copy of any voucher or other transaction record that we may ask for (otherwise the transaction may be charged back to you); and

d) stop accepting Payment Instruments as and when notified to you by us.

2.4 Invalid transactions

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

a) the Payment Instrument was not valid at the time of the transaction (for example, the Payment Instrument has expired, is not yet valid, has been cancelled or has been altered, mutilated, punched, damaged and/or contains any mark, trace and/or indication that it has been cancelled or revoked;
b) there is no signature on the Sales Receipt or the signature on the Sales Receipt is different to that on the Payment Instrument **(for non-PIN entered transactions)** or in the case of on-line transactions, the customer was not verified in accordance with the Association/E-Money Issuers' Rules or procedures notified by us to you from time to time;
c) the Payment Instrument user did not participate in or authorise the transaction;
d) the Sales Receipt has been altered without the Payment Instrument user's authority;
e) the Sales Receipt is incomplete or was not presented to us within the relevant timeframe;
f) the Payment Instrument transaction is subject to dispute, set-off or counterclaim;
g) it was processed to your own Payment Instrument;
h) authorisation for the transaction was declined for any reason or does not match our records of the authorization codes issued;
i) it represents the refinance of an existing debt or the collection for dishonoured cheque:
j) it is not entered into by you and the Payment Instrument user or is submitted by any third party;
k) it is not processed in accordance with this Clause 2, the Schedule 1 Operating Procedures or any other term of these Terms and Conditions.

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

2.5 Dynamic Currency Conversion (DCC) (where applicable)

a) Your participation in DCC in those countries in which it is offered will enable certain of your customers, who are Foreign Payment Instrument users, to present a Payment Instrument at your point-of-sale and to pay for a purchase in the currency in which the Payment Instrument is denominated which is an Approved Currency (the "DCC Transaction Currency"), based upon a rate of exchange determined by us, while you receive settlement of the Foreign Transaction in your local currency.
b) You acknowledge and agree that a Foreign Transaction will be converted to the DCC Transaction Currency based upon an exchange rate in effect at the time for retail transactions and that the Foreign Transaction, as converted, will be cleared through the applicable Association in the DCC Transaction Currency. DCC applies only to those Payment Instruments issued by Visa, Mastercard or such other Association approved by us from time to time for such currency as is approved by us from time to time ("Approved Currency"). We reserve the right to add, delete or suspend any currency to or from DCC, as the case may be, at any time without notice to you. Further, we may terminate or suspend DCC for any reason upon notice to you.

c) You will comply with all reasonable instructions provided by us pertaining to your participation in DCC from time to time. Without limiting the foregoing, you agree to comply with the following specific DCC requirements:

(i) you will, based upon our instructions and specifications from time to time, provide Foreign Payment Instrument users with the ability to “opt- in,” or consent to participate in DCC. If a particular Foreign Payment Instrument user elects not to opt-in, we will process that Foreign Payment Instrument user's transactions in your local currency. Any Foreign Transaction for which you fail to provide a Foreign Payment Instrument user with the opt-in procedure as described herein may result in a Chargeback.

(ii) You will comply with all our instructions and specifications applicable to DCC from time to time.

(iii) You acknowledge that the timely presentment of Foreign Transactions is necessary for participation in DCC.

Each Foreign Transaction must be presented to us within twenty-four (24) hours of the completion of such Foreign Transaction. Notwithstanding the foregoing, Foreign Transactions submitted by you involved in the hotel, lodging and cruise industries must be submitted within twenty-four (24) hours of a Foreign Payment Instrument user’s check out from your establishment. In the event that you fail to present a Foreign Transaction within the specified timeframe, we may reduce the amount of the Merchant Incentive to the extent that the amount received by us from the relevant Association as settlement of such Foreign Transaction is less than the Face Amount.

(iv) If you issue a credit to a Foreign Payment Instrument user’s account, reflecting either the partial or complete return or reimbursement of a Foreign Transaction, such credit or return transaction will be processed in your local currency or the DCC Transaction Currency.

(v) A Chargeback incurred in connection with a Foreign Transaction will be transmitted to us by the applicable Association in the DCC Transaction Currency and converted by such Association into your local currency at the relevant Association’s designated foreign exchange rate. As such, given the potential variances in exchange rates applied to the underlying Foreign Transaction and the associated Chargeback, you acknowledge that the final amount of the Chargeback will likely differ from the original settlement amount received by you for the Foreign Transaction in your local currency. Notwithstanding anything herein to the contrary, you agree that you are responsible for the full amount of Chargeback.

d) As an incentive for your participation in DCC, we will pay you the amount indicated in the Merchant Application Form or Merchant Services Approval Letter in your local currency, payable monthly in arrears. We will send a statement to you each month, which sets out the amount of Foreign Transactions processed and the Merchant Incentive earned by you during the particular month. If any Merchant Incentive is paid in respect of the amount of the transactions submitted, and the amount of the transactions submitted is subsequently reduced by any (a) credit or return transaction, (b) Chargeback, and/or (c) transaction values for which we are entitled to reimbursement under this Terms and Conditions, such Merchant Incentive will be readjusted accordingly (“Adjusted Merchant Incentive”). You will refund to us any excess of the Merchant Incentive paid by us over the Adjusted Merchant Incentive, within fifteen (15) calendar days following the date on which a notification has been sent to you.

2.6 Floor Limit

a) By prior written notice we will designate a Floor Limit in respect of each service outlet or department of a service outlet operated by the Merchant and may similarly vary any such Floor Limit by giving a Notice in accordance with clause 10.6. In the absence of such notice the <u>Floor Limit shall be zero</u>.

3.0 SETTLEMENT OF PAYMENT INSTRUMENT TRANSACTIONS

(a) We will only acquire and settle Payment Instrument transactions for Payment Instrument types specified in your Merchant Application Form and/or Approval of Merchant Services Letter. The parties agree that we will be responsible for:
   (i) the acquisition and settlement of Payment Instrument transactions with Issuers or Acquirers (as the case may be) in accordance with the Association & E-Money Issuer Rules;

(b) You must keep a bank account (Settlement Account) with a financial institution, into and from which we can initiate credits and debits in connection with this .

(c) Once the terminal settlement is done by you or auto-settle, we will pay into your Settlement Account(s), less any refund transactions, Discount (if applicable), Chargebacks or other debits you processed in accordance with the following:
   (i) we will initiate a credit into your Settlement Account no earlier than two (2) Business Days after the day the transactions are processed (which is the next Business Day if transactions are settle before merchant cut-off).

(d) We will not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties such as an Association, E-Money Issuer, Acquirers, your financial institution or any failure in an electronic funds transfer system or telephone lines or internet or due to or arising from any of the following events:
   (i) the occurrence of any of the events set out in clause 2.4;
   (ii) the non-availability or disruption to any relevant payment or operating systems in connection with the remittance of the Payment Instrument transactions;
   (iii) if your Settlement Account is dormant or closed or the cheque or cheques that you issue are frequently dishonoured;

(iv) if you provide incomplete or incorrect information (including but not limited to information of your Settlement Account); and

(v) any other event or occurrence beyond our control or knowledge.

You agree that payment into your nominated Settlement Account constitutes full and final discharge of our obligation to credit any one of you with Payment Instrument transactions processed for you or on your behalf.

(e) If you believe any adjustments should be made with respect to your Settlement Account(s), you must notify us within seven (7) business days that any debit or credit is or should have been effected.

(f) By providing information to us, you warrant that the information is true and accurate and acknowledge that we will rely on that information, including Sales Receipts.

4.0 CHARGE CARD

(a) We may program your terminal to accept transactions by Charge Card provided you advise us of the merchant number issued to you by the relevant Charge Card Association.

(b) Our only obligation to you in relation to any Charge Card transaction is to send the transaction details to the relevant Charge Card Association which issued the Card.

(c) We make no representations and give no warranties whatsoever in relation to the credit worthiness of the person presenting a Charge Card Instrument. Charge Card transactions are governed by the terms of the separate agreement between you and the relevant Charge Card Association.

5.0 INFORMATION

5.1 Payment Instrument user information

a) You acknowledge that Payment Instrument user information derived from a Payment Instrument transaction (including the names, addresses and Payment Instrument account numbers of Payment Instrument users) is confidential and constitutes personal information defined in the data privacy and protection laws and under any agreement the Payment Instrument user has with the Issuer). You will comply with all applicable Privacy Laws and the PCI security requirements as published from time to time on either the Visa or Mastercard websites, and keep such information safe and secure. This obligation survives termination of this Merchant Services.

b) Without limiting the above, and unless otherwise permitted or required by law, you must:

(i) only use Payment Instrument user information for the purposes of authorising, completing and settling Payment Instrument transactions and resolving any Chargebacks;

(ii) not provide (other than to us or if required to do so by law), buy, sell or exchange a Payment Instrument user's name or information in any form;

(iii) use proper controls for all records containing Payment Instrument user information, and limit access to selected Employees;

(iv) send Payment Instrument information across the internet or other networks only after encrypting or scrambling it, and protect access to Payment Instrument information on the internet and other networks you use by password;

(v) not retain or store Magnetic Stripe, Chip Payment Instrument data or PIN data after a transaction has been authorised;

(vi) after the period you need to retain the records has ended, destroy the records and any information in a way that ensures any Payment Instrument details are unreadable; and

(vii) provide to us and/or an Association, E-Money Issuer, as relevant access to, inspection rights and to access to examine documents, instruments and notes (or any part thereof); and/or provide to us or our agent, the aforesaid documents, instruments and notes (or any part of them) for our own and the relevant Association's & E-Money Issuers' use and verification and/or our account to Associations/E-Money, for such period of time as we may deem fit at our absolute discretion, all from time to time and at any time. You will, upon our reasonable prior notice, provide to us all documents, instruments, notes, figures, data and information of whatsoever nature (including but not limited to the Credit Receipts, Sales Receipts and Merchant Deposit Slips) generated out of, evidencing, arising out of and/or in connection with a transaction as we may from time to time or at any time request at our absolute discretion.

c) You acknowledge that you do not own any information relating to and derived from Payment Instrument transactions. During the term of this Merchant Services you may only use, store, copy and disclose transaction data as necessary for the purposes of assisting us and the relevant Payment Instrument Association/E-Money Issuers to complete the transaction, supporting any loyalty program associated with the Payment Instrument or Merchant Services, providing fraud control services or for purposes specifically required by law. If you use any third party to handle transaction data, you must ensure those third parties handle that data in compliance with laws and this provision of this Merchant Services. You are responsible for the transaction data handling actions of your third-party suppliers.

5.2 Your information

a) You authorise us to obtain from third parties financial and credit information relating to you, your directors, shareholders, partners, officers and principals in connection with our determination whether to accept this

Merchant Application Form and our continuing evaluation of the financial and credit worthiness of you, your directors, shareholders, partners, officers and principals.

b) We will handle any information we collect about you, your directors, shareholders, partners, officers and principals in accordance with our Privacy Laws, our privacy collection statements and privacy policies (can be found at www.ampersandpay.com). We will implement all data security measures required by such laws and policies.

c) You, your directors, shareholders, partners, officers and principals acknowledge that information relating to you, your directors, partners, shareholders, officers and principals and your accounts and dealing relationships with us, including but not limited to details of your facilities, any security taken, transaction undertaken and balances and positions with us, as well as information in your Merchant Application Form ("information") is collected or held by us.

d) The Information may be shared with our head office and any of its subsidiaries (including, representative and branch offices in any jurisdiction and our agent, contractor and its related entities in any jurisdiction ("Permitted Parties") in connection with this Merchant Services and in accordance with our privacy collection statements and privacy policies, and you, your directors, shareholders, partners, officers and principals' consent to such sharing of information

e) You authorise us, the Permitted Parties and our respective Employees and advisers to disclose Information to:

  (i) the Permitted Parties;

  (ii) professional advisers, service providers, independent contractors to, or agents of, the Permitted Parties, such as debt collection agencies, data processing firms and correspondents, who are under a duty of confidentiality to the Permitted Parties;

  (iii) the Associations, E-Money Issuers, Acquirer and Charge Card Associations (which may be located overseas) as relevant to the transaction;

  (iv) any actual or potential participant or sub-participant in relation to any of our obligations under this Merchant Services Terms and Conditions, or assignee, novatee or transferee (or any Employee or adviser of any of them);

  (v) any credit reference agency, rating agency, business alliance partner, insurer or insurance broker of, or direct or indirect provider of credit protection, of the Permitted Parties;

  (vi) any financial institution which you have or may have dealings with for the purpose of conducting credit checks (including in the form of bank references);

  (vii) any court, tribunal, regulatory, supervisory, governmental or quasi-governmental authority which has jurisdiction over the Permitted Parties (which may be located overseas); and

  (viii) anyone we consider necessary in order to provide you with the Merchant Services under this Merchant Services Terms and Conditions, whether they are located in or outside your country.

f) You irrevocably authorise us to discharge and/or release to the relevant Associations/E-Money Issuers all or any of the documents (including but not limited to the form and the content of this Terms and Conditions), figures, codes, data and information of whatsoever nature which from time to time or at any time you disclose or release to us and/or we may have access to under or by virtue of your participation in the Associations/E-Money Issuers, any transaction contemplated in this Terms and Conditions and/or in relation to or in connection with this Service; and/or which an Association/E-Money Issuers may lawfully require us to provide to it from time to time or at any time.

g) Every provision of this clause 5.2 survives termination or expiry of this Merchant Services.

5.3 Confidential Information

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

6.0 FEE

(a) You must pay us the Fee for the Merchant Services as set out in the Merchant Application Form and/or Merchant Services Approval Letter, as well as any additional fees or pricing set out in the Merchant Services Terms and Condition. Those fees are payable when the services are provided. You must also keep a bank account (Fees Account) (which may or may not be the same as your Settlement Account) at a financial institution, from which we may collect the fees for the Merchant Services as set out in the Merchant Application Form and Merchant Services Approval Letter, as well as any additional fees or pricing set out in this Terms and Conditions. If you do not nominate in the Merchant Application Form a Fees Account or if there are insufficient funds in the Fees Account from which to debit fees, the Settlement Account will be the Fees Account and you authorise us to collect fees from the Settlement Account. You agree to provide us a direct debit request to enable us to debit to the Fees Account fees for the Merchant Services as set out in the Merchant Application Form and Merchant Services Approval Letter, as well as any additional fees or pricing set out in these Terms and Conditions. You agree to reimburse us for the amount of any charges we incur as a result of any debit to the Fees Account being rejected.

(b) The fees for the Merchant Services may be adjusted by us upon 30 days' notice:

  (i) if the actual volume or average transaction size are not as expected or if you significantly alter your method of doing business; or

  (ii) to reflect increases or decreases by Associations/E-Money Issuers or government and regulatory bodies in interchange, assessments and other fees, or to pass through increases charged by third parties for on-line communications and similar items.

(c) We may also increase our fees for the Merchant Services for any other reason by notifying you in writing, (refer to Clause 10.6 Notices) fifteen (15) days prior to the effective date of any such change.

(d) We may charge additional one time only fees for responding to specific requests from you, for example fees for extra statements, investigations of account activity requested by you, fees associated with dishonoured payments and fulfilling data access requests. These additional fees may be charged on a time and materials basis or based on the cost of fulfilling such requests averaged across all merchants and represent additional work required to manage your account with us in respect of these requests, which are not part of the Merchant Services provided under this Terms and Conditions.

7.0 TAXES

(a) In this clause 7.0 words and expressions which have a defined meaning in the relevant Taxes Act(s) have the same meaning as in those Taxes Act(s).
(b) Unless otherwise expressly stated, all consideration to be provided under these Terms and Conditions is expressed exclusive of Taxes.
(c) If Taxes are payable by us on any services made under these Terms and Conditions, you will, upon receiving a tax invoice from us, pay us an amount equal to those Taxes payable.
(d) This amount will be paid in addition to, and at the same time, as the consideration for the service is to be provided.

8.0 CHARGEBACKS

8.1 Chargebacks and other liabilities

a) Each director/partner/office bearer/signatory, is jointly and severally, compensate and indemnify us for any claims, loss, expenses or liability we incur arising out of:
   (i) a Payment Instrument transaction between you and any Payment Instrument user;
   (ii) all Payment Instrument transactions you submit that are charged back;
   (iii) your failure to produce a Payment Instrument transaction record requested by us within the applicable time limits;
   (iv) you or any of your Employees processing a transaction with wrong transaction information;
   (v) any error, negligence, wilful misconduct or fraud by you or your Employees;
   (vi) any dispute over goods or services between you and a Payment Instrument user;
   (vii) any warranty or representation whatsoever in relation to any goods or services supplied by you;
   (viii) your failure to comply with any of your obligations under these Terms and Conditions;
   (ix) any losses suffered by us as a result of failures to meet your obligations under these Terms and Conditions.

b) We may refuse to accept any transaction if it is invalid and may charge it back to you if we have already processed it.

c) Each of your liability in respect of Chargebacks and the indemnity obligations under clause 8.1 are debts owed to us.

d) We may marshal and exercise our rights under any security we hold from you or in relation to your indebtedness to us in respect of your Chargeback liability.

8.2 Debits and set off

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

We may also charge 2.0% per month on amounts outstanding where there were insufficient funds in your account to satisfy the above amounts.

8.3 Security

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

8.4 Reserve account

a) You hereby authorise us (and you agree to do all acts and execute all relevant documents to enable us) to instruct our bankers to establish a reserve account (Reserve Account) on the terms set out in this clause 8.4.

b) We may, in our absolute discretion, require by notice to you, that a portion of the value of any Payment Instrument transactions payable to you in accordance with clause 3(c), be deposited into the Reserve Account.

c) Any funds paid into the Reserve Account in accordance with paragraph (b) represent a debt owing by us to you and are not held by us on trust for you.

d) You authorise us to set-off all or part of the monies owing to you under this clause 8.4 against any outstanding obligations you have to us under this or any other agreement including, without limitation, any obligation under clause 8.1(a)(ix) and the indemnities in clauses 8.1 and 10.17 and notwithstanding that this Merchant Services may have been terminated.

e) Monies deposited into the Reserve Account under this clause 8.4 which are owing to you by us will not accrue interest.

f) We may, in our absolute discretion, repay to you all or part of any money deposited by you or on your behalf into the Reserve Account. Such repayment is not a waiver of our right to require further deposits by you into the Reserve Account.

g) Within twelve (12) months following termination of this Merchant Services or such longer period of time as is consistent with our liability for Payment Instrument transactions in accordance with the Association/E-Money Issuers Rules, we will repay to you any monies owing by us to you under this clause 8.4.

8.5 Delayed Settlement

a) We may, in our absolute discretion:

(i) whether as a result of a change in your credit profile or the nature of your business activity or any other reason, withhold payment to you of the full amount of any Payment Instrument transaction less the Fee or any part thereof for such period as we shall in our absolute discretion deem fit; or

(ii) if we suspect any Payment Instrument transaction to be counterfeit or in any way tainted or affected by fraud or forgery, or if we receive a request for transaction documentation in respect of any Payment Instrument transaction, withhold payment to you of the full amount of the Payment Instrument transaction less the Discount or any part thereof for such period as we shall in our absolute discretion deem fit, or if payment has been made to you, to seek immediate reimbursement from you of such sum, until and unless you shall prove to our satisfaction that the Payment Instrument transaction is genuine and valid. For the avoidance of doubt, we shall not owe you any obligation to take any steps to verify the genuineness or validity of the Payment Instrument transaction.

b) Any funds withheld and/or reimbursed under paragraph (a) are not held by us on trust for you, and will not accrue interest.

c) You authorise us to set-off all or part of the monies owing to you under this clause 8.5 against any outstanding obligations you have to us under this or any other agreement including, without limitation, any obligation under clause 8.1(a)(ix) and notwithstanding that this Merchant Services may have been terminated.

d) We may, in our absolute discretion, release to you all or part of any money withheld and/or reimbursed under paragraph (a).

e) Within ten (10) months following termination of this Merchant Services or such longer period of time as is consistent with our liability for Payment Instrument transactions in accordance with Association/E-Money Issuer Rules, we will repay to you any monies owing by us to you under this Clause 8.5

8.6 Financial and Other Information

a) Upon request, you will provide us with quarterly financial statements and/or annual audited financial statements, prepared in accordance with generally accepted accounting principles.

b) Upon request, you shall provide to us or our representatives reasonable access to your facilities and records for the purpose of performing any inspection and/or copying of your books and/or records deemed appropriate and otherwise allow us or a Payment Instrument Association/E-Money Issuer representative access after reasonable notice to your records to audit compliance with data security requirements, for example after a security intrusion.

c) You must advise us immediately of any change in circumstances affecting your business including any Insolvency Event, Change in Control or change in business name, business address, legal status or other business details.

9.0 ENDING THE MERCHANT SERVICES

9.1 Termination

a) We may terminate this Merchant Services immediately and then notify you if any of the following events of default occur (or we may elect, at our sole discretion, to temporarily suspend your Payment Instrument payment Merchant Services until such events of default are remedied):

(i) there occurs irregular, invalid or illegal Payment Instrument sales by you, excessive Chargeback's or any other

(ii) there occurs any material adverse change in your business, circumstances which, in our sole discretion, may increase our exposure to financial or security risk;

(iii) we are notified that you or your directors/partners/officer bearers/signatories appear in Mastercard's Member Alert to Control High Risk (MATCH) list, or Visa International's NMAS list or the equivalent list of any other Payment Instrument Association/E-Money Issuer;

(iv) financial condition, business procedures, prospects, goods or services;
(v) our records disclose no transactions/merchant sales or activities whatsoever for a continuous period of three (3) months;
(vi) your independent certified accountants refuse to deliver an unqualified opinion with respect to your annual financial statements and your consolidated subsidiaries;
(vii) you suffer an Insolvency Event;
(viii) you purport to assign this Merchant Services or there is a Change in Control in you or your corporate parent; you fail to comply with any relevant laws by which you are bound;
(ix) we are required to cease providing the merchant processing Merchant Services by any law, regulation or Association/E-Money Issuer Rule by which we are bound;
(x) any of your representations or warranties in this Terms and Conditions are breached or are incorrect when made or deemed to be made
(xi) you breach any of these Terms and Conditions (including without limitation, the Association/E-Money Issuer/Acquirer Rules) or
(xii) you have a loan or similar obligation for borrowed money and we require you to repay prematurely as a result of your default or failure to make payment of the loan on its due date

b) You acknowledge that under Mastercard, Visa, E-Money Issuers , Acquirers and other applicable Association/E-Money Rules, the respective Association/E-Money Issuers have the right to direct amendment or termination of this Merchant Services.

c) We may terminate the Merchant Services by prior written notice stipulating the date upon which termination to take effect, without us having to assign any reason for such termination.

d) You may terminate this Merchant Services on 30 days' written notice to us if we notify you of an increase in the fees for Merchant Services or modification in the terms of this Merchant Services, which materially increases your obligations or diminishes your rights, and you provide notice of termination within 30 days. Please note that your continued use of our Merchant Services after that date will be deemed acceptance of the increased fees for Merchant Services or modification of the terms, throughout the remaining term of this Merchant Services.

e) If this Merchant Services ends:
(i) all amounts payable under this Merchant Services becomes immediately due and payable in full on demand;
(ii) you must not process any Payment Instrument transactions through us, and we have no further obligations to accept transactions from you after the termination date;
(iii) any rights and obligations of either of us which arose before the termination date will continue, including:
(a) your obligations to pay or reimburse us for any obligations associated with transactions you have submitted to us; and
(b) your responsibility for all Chargebacks, fees, refunds and adjustments resulting from Payment Instrument transactions processed under this Merchant Services and all other amounts then due or which thereafter may become due under these Terms and Conditions.

f) We may advise the Associations/E-Money Issuers about your details and the reason we terminated this Merchant Services, if we have terminated this under clause 9.1(a). The Associations/E-Money Issuers may give this information to another financial institution if you apply for new Payment Instrument processing facilities. This information may then affect your ability to obtain another Payment Instrument processing Merchant Services.

g) Notwithstanding anything to the contrary herein contained, you hereby irrevocably agree, that in the event of any termination of this Merchant Services, we have the right to withhold any amount and/or payment due to you in our sole and absolute discretion, provided always that such amount and/or payment may only be withheld by us for purposes of, or relating to chargeback issues, equipment costs, etc and provided further that such amount and/or payment may be withheld for a period of 6 months or more after the effective date of termination. We shall provide to you prior written of our intention to withhold or set-off such amount and/or payment, together with amount to be withheld.

9.2 Return of Equipment

a) Promptly upon expiry or termination of this Merchant Services, you must deliver possession of the Supplied Equipment (including all attachments and parts) and the Marketing Materials to us at your cost in the same operating order, repair, condition and appearance that the Supplied Equipment had at the time of its delivery to you (reasonable wear and tear excepted).
b) In order to return Equipment, you must:
(i) call **APSB** for the address of the location to send the Equipment;
(ii) Include the following information within the shipping box:
- Company name, trading name, complete address and phone number
- Name of person to contact if there are any questions
- Your Merchant Account Number
- Serial number of the terminal;(found on the underside of the terminal); and

(iii) retain proof of delivery documents for your records, and the serial number from the bottom of the terminal.
c) For each item of Supplied Equipment that you fail to return or return in poor condition you must pay us RM1,500.00. We may retrieve the Equipment from you and you authorise us to access your premises for that purpose.

9.3 Effect of termination

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

10.0 GENERAL PROVISIONS

10.1 Term

This Merchant Services commences on the date of the first Payment Instrument transaction on the Equipment and continues for 1 (one) year (unless terminated earlier in accordance with these Terms and Conditions). After 1 (one) year, this Merchant Services will automatically continue until either party terminates it upon 30 days' written notice to the other. Notwithstanding the foregoing, clause 5 commences on the date that you submit a completed Merchant Application Form and survives termination of this Merchant Services.

10.2 Limitations on Liability

a) To the extent permitted by law, we disclaim all representations or warranties, express or implied, made to you or any other person, including any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise of any services or any goods provided incidental to the services provided under these Terms and Conditions. Our liability in respect of representations and warranties that cannot be excluded is limited to the re-supply of the Equipment or the Merchant Services or the cost of re-supplying the Equipment or the Merchant Services.

b) In no event will we be liable for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages.

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c) Our liability under these Terms and Conditions is limited to the extent of our obligations under clause 3.

d) We are not liable for any loss, expenses or damage whatsoever caused by:
   (i) the failure for whatever reason of a Payment Instrument or any Equipment or the system to function properly or at all; or
   (ii) the acquisition by any person of information through any unauthorised electronic or other interception of communication on the system.

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

10.3 Assignments

a) You must not assign or transfer your rights or obligations under these Terms and Conditions (including by way of a Change in Control or operation of law), without obtaining our prior written consent.

b) We may novate the rights and obligations of us under these Terms and Conditions upon notice to you.

c) Subject to Association/E-Money Issuer Rules:
   (i) Merchant Services may be provided by one or more of our affiliates, including the provision of POS Terminals and other equipment and local support functions in relation to this Merchant Services;
   (ii) we may assign or transfer this Merchant Services and our rights and obligations hereunder and/or may appoint an agent or subcontractor to perform our duties hereunder, in whole or in part, to any other third party without notice to you.

10.4 Compliance with Laws

In performing its obligations under this Merchant Services, each party agrees to comply with all laws, regulations and rules applicable to it, including without limitation, the Association/E-Money Issuer Rules and mandatory online payment standards.

10.5 Force Majeure

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

a) fire, flood, elements of nature or other acts of God;
b) any outbreak or escalation of hostilities, war, riots or civil disorders in any country;
c) any act or omission of the other party or any government authority;
d) any labour disputes (whether or not Employees' demands are reasonable or within the party's power to satisfy); or
e) except in respect of your obligations under clause 5.1(c), the non-performance by a third party for any similar

cause beyond the reasonable control of such party, including without limitation, failures or fluctuations in telecommunications or other equipment or delay or failure of a Payment Instrument Association/E-Money Issuers to pay settlement amounts.

10.6 Notices

a) Except as otherwise specifically provided, all notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the processing of Payment Instrument transactions) must be in writing and sent by mail, courier, facsimile, email or posted on Ampersand Pay Merchant Portal:
   (i) If by mail, courier facsimile or email to you at your address, office number or email address appearing in the Merchant Application Form or updated address in our system; and
   (ii) if to APSB at our address, email or facsimile. As per stated in the Merchant Application Form.

b) Notices are deemed to have been given:
   (i) if sent by mail, on the third day after posting;
   (ii) if sent by facsimile machine, at the time and on the date specified in the transmission receipt produced by the machine from which it is sent stating that the facsimile has been sent in full;
   (iii) if sent by email, at the time and on the date specified in the email:
   (iv) if posted on the Ampersand Pay Merchant Portal at the date of posting (or such later date that we state in the notice): and
   (v) if sent in any other manner, when actually received.

10.7 Consents

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

10.8 Amendment

We may vary any provision of these Terms and Conditions, Fees, Merchant Services including the Schedule 1 Operating Procedures by giving you notice in the following manner:
If variation:

a) introduces or increases Fees and Merchant Services, we will give you at least 30 days' notice of the variation and continued use of the Merchant Services constitutes your agreement to the variation; or
b) on Terms and Conditions, notice will be posted on the Ampersand Pay Merchant Portal it will start and be binding on you on the date of the posted notice (or such later date that we state in the notice) and continued use of the Merchant Services constitutes your agreement to the variation.

10.9 Severability

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

10.10 Waiver

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

10.11 Governing Law

This Terms and Conditions is governed by the laws in force in Malaysia. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Malaysia.

10.12 Entire Terms and Conditions

These Terms and Conditions constitute the entire Terms and Conditions between the parties with respect to its subject matter, and supersedes any previous agreements and understandings. If there is a discrepancy between the English version and local language version, the English version prevails.

10.13 No partnership

Nothing in these Terms and Conditions constitutes you and us as partners, joint venture parties or principal and agent, unless otherwise stated.

10.14 Representations

You represent to us the following:-

a) you have a good reputation, good internal and financial management system;
b) you have not been and are not black-listed or forbidden by an Association/E-Money Issuer
c) All information (including but not limited to your particulars and business set out in Merchant Application Form) and all documents you have provided and will provide to us are true, complete and accurate.

All representations by you are deemed to be repeated on each day during the term of this Merchant Services.

10.15 Additional Terms

You shall agree such other Terms and Conditions as we may in our absolute discretion deem necessary for you to carry out your obligations under these Terms and Conditions upon notification from us.

10.16 Payment Instrument User Complaints

a) We shall not be responsible to Payment Instrument Users in any manner for any goods and/or services supplied by you.

b) You will endeavour in good faith to satisfy any claims or complaints made by Payment Instrument Users concerning goods and/or services purchased from you by the use of a Payment Instrument. Failing such settlement you shall reimburse the amount of the relevant transaction (plus the Discount) to us and this Terms and Conditions shall thereupon cease to apply to that transaction.

10.17 Indemnities and Expenses

a) You shall indemnify us and keep us indemnified against all losses, claims, demands, damages, proceedings, liabilities, costs (including all legal costs on a full indemnity basis) and expenses ("Losses") incurred or suffered by us arising out of or in connection with any breach of any provision of these Terms and Conditions and/or the enforcement thereof and/or the payment of any Sales Receipt submitted to us.

b) Without prejudice to the generality of the aforesaid indemnity, you hereby agree and undertake to indemnify us completely and absolutely, against all claims made against us concerning and arising out of:
   (i) Payment Instrument User complaints, claims, goods and/or services purchased from you by the use of a Payment Instrument and all losses, costs and expenses (including legal fees) incurred by us in connection with such claims;
   (ii) any statement action or matter relating to the return or repossession of any Payment Instrument by you or the surrounding circumstances, including any action of you, including in particular any defamatory statements made by you or any of your Employees and all losses, costs and expenses (including legal fees) incurred by us in connection with such claims;
   (iii) the contents of any promotional material supplied by you including but not limited to direct mailing promotions;
   (iv) any unauthorised, illegal or fraudulent claims and transactions;
   (v) us allowing the use of both Electronic Data Capture and/or Manual Imprint transactions, particularly, but not limited to any missing signatures.
   (vi) any claim or proceeding initiated by the Payment Instrument User or any party against us as a result of our payment of the Sales Receipt.

c) Additional charges for any services which we may from time to time provide, including but not limited to deposit and or rental for the use of Equipment and/or Terminals, may be levied at such rate and in such manner as we may in our absolute discretion deem fit.

10.18 Anti-money Laundering and Countering Terrorism Financing

a) In order to comply with anti-money laundering laws, countering terrorist financing laws, regulations and policies, including our policies, reporting requirement under financial transactions legislation and requests of authorities, we may be :
   (i) Prohibited from entering or concluding transaction involving certain persons or entities; or
   (ii) Required to report suspicious transaction to an authority. Transactions impacted included those that may:
      - Involve the provision of finance to any person involved or suspected of involvement in terrorisms or any terrorist act;
      - Be relevant to investigation of an actual or attempted evasion of tax law, investigation of a prosecution of a person for an offence against any applicable law; or
      - Involve persons or entities which may be the subject of sanctions.

b) We may intercept and investigate any payment messages and other information or communications sent to or by you or on your behalf and may delay, block or refuse to make any payment. Payment screening may cause a delay in processing certain information.

c) We shall not be liable for any loss arising out of any action taken or any delay or failure by us, or any of the Permitted Parties, in performing any of their duties or other obligations, caused in whole or in part by any steps taken as set out above.

10.19 Insolvency Event: Any of the following:

(a) an order is made or an application is made to a court for an order that a party be wound up;
(b) an application is made to a court for an order appointing a liquidator or provisional liquidator or a liquidator or provisional liquidator is appointed in respect of a party;
(c) a party enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any classes of its creditors, or it proposes a re-

organisation, moratorium or other administration involving any of them;

(d) a party resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate while solvent on terms approved by the other party or is otherwise wound up or dissolved;

(e) a party is or states that it is unable to pay its debts when they fall due;

(f) a party takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to a party; or

(g) anything analogous or having a substantially similar direct effect to any of the events specified in paragraphs (a)- (f) above happens under the law of any applicable jurisdiction.

11.0 GLOSSARY

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

APSB: is an acronym for AmpersandPay Sdn Bhd

Approval Of Merchant Services Letter means the document which will be issued by APSB to the Merchant upon a successful due diligence process and acceptance by APSB of the Merchant's application to be on-boarded, which will contain details such as the facilities, MDR, Fees, DCC Incentive, Collaterals, Merchant ID, Terminal ID etc.

Association: Any entity formed to administer and promote Payment Instruments, including without limitation Mastercard International Inc, Visa International Association, any applicable Debit networks such as Paynet and E-Wallet Issuer.

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

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

Business Day: Any day on which APSB is opened for business in Kuala Lumpur

Change in Control: Any of the following:

(a) the Merchant agrees to acquire or dispose of, or acquires or disposes of, a substantial asset or assets;

(b) a person (alone, through or together with their associates) acquires a legal or beneficial interest in 50% or more of the issued securities in the Merchant;

(c) the Merchant is or agrees to be controlled by a person who did not or was not entitled to control the Merchant on the date of commencement of this Merchant Services; or

(d) a person who has not appointed or is not entitled to appoint a majority of directors to the board of directors of the Merchant on the date of commencement of this Merchant Services does, or becomes entitled to, appoint a majority of directors to the board of directors of the Merchant.

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

Chip Payment Instrument: means a Payment Instrument embedded with a chip that communicates information to a POS Terminal;

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

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

Charge Card Association: American Express Company, Diners Club International Ltd, JCB International Co., Ltd and any other such charge Payment Instrument associations agreed by the parties.

Confidential Information: Any information relating to the business of APSB or you or concerning the financial transactions or affairs or the identity of any of them or a Payment Instrument User or the details of a Payment Instrument transaction and any relevant Association Rules.

Credit Card: A valid card bearing the service mark of Visa or Mastercard (and any other card agreed by the parties), the use of which accesses the card user's credit through one of the cards scheme.

Credit Receipt: A document evidencing the return of merchandise by a Payment Instrument User to a Merchant, or other refund made by the Merchant to the Payment Instrument User.

DCC or **Dynamic Currency Conversion** means the conversion of your local currency, being the currency in which your goods or services are priced, into an Approved Currency, as agreed upon by the Foreign Payment Instrument user and you, in accordance with these terms and conditions

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

E-money means electronic money which is exchanged electronically over a technical device such as a computer, POS Terminal or mobile phone. E-money in circulation operates as a pre-paid bearer instrument.

E-Money Issuer(s) means any banks or financial institutions or other non-bank organisations or institutions approved by BNM as an e-money issuer to issue e-money.

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

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

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

Fees means Merchant Discount Rate (or MDR) and/or any other charges/payment for services rendered or items, products etc.

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

Foreign Carduser means a Payment Carduser, whose Payment Instrument is denominated in an Approved Currency.

Foreign Transaction means transaction between you to a Foreign Carduser (excluding Payment Instruments from Issuers excluded from DCC by us or an Association), as more specifically provided in this Terms and Conditions.
Issuer: Payment Instrument User's bank, or the bank which has issued a Payment Instrument to an individual.
Magnetic Stripe: A stripe of magnetic information affixed to the back of a plastic Credit or debit Payment Instrument (which must not be stored after Authorisation)
Marketing Materials: Has the meaning in clause 2.1 of this terms and conditions.
Merchant Discount Rate (MDR): The amount calculated in the manner and at the rate notified by us from time to time, which we are entitled to deduct from the value of the valid sales and cash out transactions presented to us in accordance with these Terms and Conditions, including terminal rental fee, prior to payment of the balance to You
Merchant: The party identified as "Merchant" on the Application. The words "you" and "your" refer to Merchant.
Merchant Application Form : The merchant application form completed and signed by the Merchant
Merchant Incentive means the amount if any specified in the Merchant Application Form as an incentive for your participation in DCC.
Merchant Services: The activities undertaken by APSB to authorise, process and settle all Payment Instrument transactions by Payment Instrument Users at the Merchant's location(s) specified in the Merchant Application Form, and all other activities necessary for APSB to perform the functions required by **these Terms and Conditions** for all other Payment Instruments covered by **these Terms and Conditions** (including where applicable, the provision and maintenance of Supplied Equipment).
Operating Procedures: The manual attached as Schedule 1 to this document containing operational procedures, instructions and other directives relating to Payment Instrument transactions, as amended from time to time.
Payment Instrument: means a Credit Card and/or Debit Card and/or E-Money such as Touch N Go, GrabPay, Boost, LiquidPay, AliPay, WeChat etc specified on the Merchant Application Form and Merchant Services Approval Letter as amended from time to time.
Payment Instrument User: Means the individual whose name is embossed on a Payment Instrument and any authorised user of such Payment Instrument.
PCI means PCI Co Limited, the promulgator of Credit Card information security requirements for Visa and Mastercard card user and transaction information.
POS Terminal: A point of sale device placed in a merchant location which is connected to the APSB system via telephone lines or a web interface and is designed to authorise, record and settle data by electronic means for all sales transactions with APSB.
Privacy Law: Any statute, regulation, guideline or quasi legislative instrument having the force of law that regulates the collection, use, storage or disclosure of personal information about an identifiable individual, any common law privacy obligations by which a party is bound and any industry code (whether voluntary or not) by which a party is bound.
Sales Receipt: Evidence of a purchase of goods or services by a Payment Instrument User from a Merchant using a Payment Instrument, (regardless of whether the form of such evidence is in paper, electronic or otherwise) which conforms to Association/E-Money Rules and unless otherwise indicated to the contrary, includes EDC Sales Receipt.
Schedule 1 to this document containing operational procedures, instructions and other directives relating to Payment Instrument transactions, as amended from time to time.
Security: Means a deposit collected from the merchant as collateral, which does not attract interest, solely for the purpose of setting off amounts owing by merchant.
Settlement Account: Means the account referred to in clause 3(b).
Supplied Equipment: Equipment that is supplied by APSB pursuant to clause 1.
Taxes includes (without limitation) all taxes (sales and services or value added taxes), levies, duties, imposts, charges and withholdings of any nature whatsoever, and of any jurisdiction, together with all penalties, charges and interest relating to any of them or to any failure to file any return required for the purposes of any of them.
Taxes Act means the statute, regulation, guideline or quasi legislative instrument having the force of law that regulates the assessment and collection of Taxes.
You, Your: The Merchant and where the context prescribes a procedure includes your Employees, agents and contractors.

SCHEDULE 1 – OPERATING PROCEDURES

PART A: PAYMENT INSTRUMENTS

This part of the Operating Procedures describes the procedures and methods for submitting Payment Instrument transactions for payment, obtaining Authorisations, responding to Chargebacks and Media Retrieval requests, and other aspects of the operations of our services.

The Operating Procedures contained in Part A focus primarily on the Mastercard, Visa Associations' operating rules and regulations. In the event we provide Authorisation, processing or settlement of transactions involving Payment Instruments other than Mastercard and Visa, you should also consult those independent Payment Instrument Issuers' proprietary rules and regulations.

The requirements set out in these Operating Procedures will apply unless prohibited by law. You are responsible for following any additional or conflicting requirements imposed by the laws.

1 MASTERCARD AND VISA ACCEPTANCE

1.1 CARD DESCRIPTIONS

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

(a) Visa card have the Visa symbol on the right-hand side of the card. Above the Visa symbol is the 3-dimensional hologram of the Visa Dove design. The expiration date must be followed by one space and the symbol "V." Visa Payment Instruments contain a 16-digit account number embossed across the middle of the card and the first digit is always a four (4). In addition, the Classic and Preferred card have the first four digits of the account number printed directly below the embossed number. You must always check these numbers carefully to ensure that they are the same. Only Visa card fitting this description may be accepted.

(b) Mastercard have the Mastercard symbol on the front or back of the card. Mastercard and the Globe designs appear in a 3- dimensional hologram above the symbol. In addition, the words Classic, Preferred, Gold or Business may appear. Mastercard account numbers are sixteen (16) digits, and the first digit is always a five (5). The first four digits of the account must be printed directly below the embossed number. Only Mastercard fitting this description may be accepted.

1.2 EFFECTIVE/EXPIRATION DATES

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

1.3 VALID SIGNATURE (FOR PHYSICAL CARD)

Check the back of the Payment Instrument. Make sure that the signature panel has not been disfigured or tampered with in any fashion (an altered signature panel may appear discoloured, glued or painted, or show erasure marks on the surface). The signature on the back of the Payment Instrument must compare favourably with the signature on the Sales Receipt. The Sales Receipt must be signed in the same format as the signature panel on the Payment Instrument. The signature panel of Visa and Mastercard Issuer now have a 3-digit number (CVV 2/ CVC 2 / CAV2) printed on the panel.

(a) **Visa:** If the signature panel on the Payment Instrument is blank, in addition to requesting an Authorisation, you must do all the following:
- Review positive identification bearing the Payment Instrument User's signature (such as a passport or driver's licence that has not expired) to validate the Payment Instrument User's identity.
- Indicate the positive identification, including any serial number and expiration date, on the transaction receipt
- Require the Payment Instrument User to sign the signature panel of the Payment Instrument prior completing the Transaction.

(b) **Mastercard :** If the Payment Instrument is not signed and the Payment Instrument user refuses to sign the Payment Instrument, do not accept it for a transaction. If the Payment Instrument User is willing to sign the Payment Instrument in your presence, request two pieces of valid and current identification (e.g., driver's licence, another bank card, etc.).

1.4 USERS OTHER THAN PAYMENT INSTRUMENT USERS

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

1.5 SPECIAL TERMS

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

1.6 DELAYED DELIVERY OR DEPOSIT BALANCE

In a delayed delivery transaction where a Payment Instrument user makes a deposit toward the full amount of the sale, you should execute two separate Sales Receipts, the first for a deposit and the second for payment of the balance upon delivery of the merchandise or the performance of the services.

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

(b) For Mastercard transactions, you must obtain one Authorisation. You must note on both Sales Receipts the words "delayed delivery," "deposit" or "balance," as appropriate, and the Authorisation date and approval code.

1.7 RECURRING TRANSACTION AND PREAUTHORISED ORDER REGULATIONS

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

1.8 HONOURING PAYMENT INSTRUMENTS

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

1.9 DEPOSITS OF PRINCIPALS

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

1.10 DISPLAYS AND ADVERTISING

You must display appropriate Visa, Mastercard symbol and, if applicable, other Association decals and program marks on promotional materials as required by Association Issuers Rules. You may not indicate that Visa or Mastercard Issuers or any other Association endorses your goods or services. You confirm and acknowledge that all intellectual properties (including but not limited to trade mark) the Visa symbol, or Mastercard symbol and in all the Marketing Materials which are produced and/or provided by Visa, and Mastercard are and shall remain the sole property of Visa, and Mastercard respectively and for their branded Marketing Material. You have no right, interest and benefit of whatsoever nature in any of the intellectual properties (including but not limited to the trade mark) in the Visa symbol, or Mastercard symbol or in any of the Marketing Materials. You will not modify, alter and/or change and shall not apply and/or use, the Visa symbol, or Mastercard symbol or in any of the Marketing Materials in any respect or any manner save and except as expressly permitted by and in strict accordance with this Terms and Conditions.

CASH PAYMENTS BY AND CASH DISBURSEMENTS TO PAYMENT INSTRUMENT USERS

You must not accept any direct payments from Payment Instrument users for charges of merchandise or services which have been included on a Sales Receipt. You may not make any cash disbursements to a Payment Instrument user as part of a Payment Instrument transaction except to the extent expressly authorised by the Terms and Conditions or the Association Rules.

2 SUSPECT TRANSACTIONS

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

(a) Ask yourself, does the Customer:

- Appear nervous/agitated/hurried?
- Appear to be making indiscriminate purchases (e.g; does not care how much an item costs, the size, etc.)?
- Make purchases substantially greater than your usual customer(e.g. your average transaction is your local currency equivalent of RM200, but this transaction is for your local currency equivalent of RM1000)?
- Insist on taking the merchandise immediately (e.g. no matter how difficult it is to handle, is not interested in free delivery, alterations, etc.)?
- Appear to be purchasing an unusual amount of expensive items?
- Take an unusual amount of time to sign the Sales Receipt or look at the back of the Payment Instrument as he signs
- Talk fast or carry on a conversation to distract you from checking the signature?
- Take the Payment Instrument from a pocket instead of a wallet?
- Repeatedly come back, in a short amount of time to make additional purchases?
- Cause an unusual, sudden increase in the number and average sales transactions over a one to three day period?
- Tell you he or she has been having some problems with his Payment Instrument Issuer and request that you call a number (that he or she provides) for a "special" handling or Authorisations?

(b) Does the Payment Instrument (for cards only)

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

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

(c) Fraud-Prone Merchandise Tips:

(i) Jewellery, video, stereo, computer and camera equipment, shoes and men's clothing are typically fraud-prone because they can easily be resold.
(ii) Be suspicious of high ringgit amounts and transactions with more than one fraud-prone item, e.g., two VCRs, three gold chains, etc.
(iii) If you suspect fraud, call APSB. If the terminal does not display the Payment Instrument number, call APSB for terminal assistance.

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

(d) Payment Instrument cancellation

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

3 COMPLETION OF SALES AND CREDIT RECEIPTS

3.1 INFORMATION REQUIRED

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

(i) Payment Instrument user's account number;
the Payment Instrument user's account number MUST be masked so that only the first 6 and last 3 digits appear, known as "PAN Truncation."
(ii) Expiration date of Payment Instrument;
(iii) Payment Instrument user's signature;
Eligible merchants participating in Visa's Express Payment Service, Mastercard's Quick Payment Service Program, Visa's Small Ticket and/ or Mastercard's Small Ticket are not required to obtain the Payment Instrument user's signature under certain conditions set out by each program.
(iv) Date of the transaction;
(v) Amount of the transaction including any Taxes capable of being and actually charged to the Payment Instrument user identified separately if required by the law;

(vi) Description of the goods and/or services involved in the transaction;
If there are too many items, combine them into one description (e.g., "clothing" instead of "one pair of pants, one shirt"). Do not carry information onto a second Sales Receipt.

(vii) A valid Authorisation code for Visa and Mastercard transactions

(viii) Merchant's business details including name and location (city and state required). For tax purposes you should include your registration number and the words 'tax invoice' on the Sales Receipt.

(b) When imprinting Sales Receipts, do not alter the Payment Instrument user account number, circle or underline any information on the Sales Receipt or alter a Sales Receipt in any way after the transaction has been completed and signed. Stray marks and other alterations on a Sales Receipt may render it electronically unscannable, unreadable or illegible. This may result in a Chargeback or Summary Adjustment to your account. Do not use an imprinter to complete Chip Card transactions. For those transactions, require the Payment Instrument user to enter a personal identification number to authenticate the transaction.

(c) A copy of the completed Sales Receipt must be given to the Payment Instrument user at the time of the transaction. Eligible merchants participating in Express Payment Service, Quick Payment Service and/ or Small Ticket are only required to provide the Payment Instrument user with the completed Sales Receipt when requested by the Payment Instrument user.

(d) In respect of each transaction completed at a service outlet operated by you, you will ensure either that the relevant transaction instructions are given in accordance with procedures notified to you by us from time to time or that the following conditions are observed:

(i) the Payment Instrument is presented during the validity period expressed on the face of the Payment Instrument;

(ii) the Payment Instrument does not appear to have been altered or mutilated;

(iii) the Payment Instrument bears a genuine distinctive hologram device;

(iv) in the case of a Visa Payment Instrument only, the first four digits of the account number embossed on the face of the Payment Instrument are identical to the four digits pre-printed on the face of the Payment Instrument immediately above/below them. In the event of a discrepancy, you shall refer to us immediately for instructions and prior authorization. Risk of loss will be on you for failing to obtain such authorisation;

(v) a Sales Receipt is legibly completed bearing the imprint of the Payment Instrument by means of an imprinter acceptable to us, details of the nature and amount, the date of the transaction and the initial of the sales person accepting the transaction;

(vi) the Sales Receipt is signed by the Payment Instrument user with a signature which appears upon reasonable examination to be the same as that on the reverse of the Payment Instrument;

(vii) the Payment Instrument user's copy of the completed Sales Drafts is given to the Payment Instrument user upon completion of the transaction and our copy is presented to us in accordance with the terms and conditions herein contained;

(viii) the Payment Instrument does not appear in any notification issued by or on behalf of an Association concerning Payment Instruments which the Association has cancelled;

(ix) a Payment Instrument transaction should not be processed if you have previously received a "Decline" authorization message.

(e) Service Feature
Mail Order/Telephone Order (MOTO) (for Visa & Mastercard Only) refers to a Merchant's processing of the Payment Instrument without the Payment Instrument or the Payment Instrument user being physically present at the Merchant's outlet when the Payment Instrument user purchases or orders for goods or services from the Merchant via telephone, mail or other means of electronic communication.

(f) Terms and Obligations

I. The Merchant is strictly prohibited from submitting transactions to APSB which are sourced from or through the Internet.

II. The Merchant shall bear any losses and costs arising from the claims, Payment Instrument user's dispute and complaints arising from any transactions by the Payment Instrument users and/or their respective Payment Instrument Issuers and/or VISA/Mastercard to APSB

III. The Merchant shall preserve all records pertaining to Sales Slips and/or Credit Slips delivered to APSB including related invoices, purchase orders, delivery orders and other documents on which the charges are raised, for a period of at least two (2) years from the date of the Sales Slips and Credit Slips are delivered to APSB.

IV. If the Chargeback volume or fraudulent transaction exceeds the predetermined fraud ratio under VISA/Mastercard rule, APSB will have absolute discretion to terminate the Mail Order or Telephone Order acceptance with the Merchant without prior notice.

3.4 ECOMMERCE PAYMENT INSTRUMENT ACCEPTANCE

(a) The Merchant shall at its own costs and expenses acquire a Merchant Website, either operated by the Merchant or by the third party vendor (Application Service Provider), and shall be responsible to assure that the Merchant Website shall be in good and workable condition. The Merchant Website shall strictly comply with the applicable governing regulations, including the Mastercard or VISA Operating Regulation, which require that:

i. The Merchant to disclose all terms and conditions of the sale i.e. the amount of the product or service, how the amount will appear on the Payment Instrument users' statement, when the amount will be billed and what name will appear on the Payment Instrument users' statement;

ii. The Merchant to indicate its products and services;

iii. The Merchant to highlight the total costs, including shipping, handling and applicable taxes to the Payment Instrument user;

iv. The Merchant to indicate the transaction currency;
v. The Merchant to indicate the shipping practices;
vi. The Merchant to indicate the estimated date of delivery of the merchandise/service to the Payment Instrument user;
vii. The Merchant Website's business policy and return policy should be easily accessible and understandable by the Payment Instrument user;
viii. The Payment Instrument user to be able to accept the merchant's business policy and return policy before completing the order;
ix. The Merchant to indicate its customer service phone number (with country code) and e-mail address for the Payment Instrument user to resolve any transaction problem;
x. The Merchant to confirm the sale via e-mail to the Payment Instrument user after the order has been placed;
xi. The Merchant to keep the Payment Instrument user notified of the shipping status of the ordered goods;
xii. The Merchant do not provide gambling Merchant Services to the Payment Instrument user;
xiii. The Merchant do not transact on behalf of the Payment Instrument user by entering Payment Instrument user's Payment Instrument details into the payment gateway;
xiv. The Merchant Website is owned by the registered company which has signed the Merchant Application Form with APSB;
xv. The Merchant do not allow any other company to share APSB e-Commerce Payment Instrument Acceptance Merchant Services or operate as a master Merchant to the Sub-Merchant.

(b) The Merchant shall utilize the 3-D Secure for all e-Commerce transactions and shall be responsible for all costs related to 3-D Secure. In utilizing 3-D Secure:
i. The Merchant must comply with Mastercard/VISA Mark specifications
ii. The Merchant must not use the Mark in a way that implies endorsement of any other product or service;
iii. The Merchant must not use the Mark as an acceptance in any application; and
iv. All participating Merchant that processes 3-D Secure Transactions shall comply with APSB requirements.

(c) The Merchant shall comply with Mastercard's Business Risk Assessment and Mitigation Program (BRAM) rules as below:-
I. Shall not perform any illegal Transaction:
II. Shall not damage the goodwill of Mastercard or reflect negatively on the Mastercard brand:
III. Shall not be in violation of the BRAM compliance program as below:-
- Any Transaction that not in full compliance with law;
- Any Transaction including an image which is patently offensive and lacks serious artistic value (such as images of nonconsensual sexual behavior, sexual exploitation of a minor, nonconsensual mutilation of a person or body part and bestiality), or any other material that Mastercard in its sole discretion, deems unacceptable for sale in connection with a Mastercard mark;
- The Transaction for the Sub-Merchant that has infringed upon the intellectual property rights of another;
- The illegal sale of prescription drugs
- The illegal sale of drugs as stipulated in the Controlled Substances Act (CSA);
- The illegal sale of tobacco products;
- The illegal sale of images of child pornography;
- Internet gambling in jurisdictions where it is illegal;
- The sale of modification chips; and
- The sale of K2 and Salvia Divinorum.

(d) The Merchant must comply with the local applicable laws and Visa International Operating Regulations (VIOR) on e-commerce business Transaction. In the event of any conflict between the VIOR and any local applicable law, the local law requirements shall prevail.

(e) The Merchant shall comply with Payment Card Industry Data Security Standard (also referred to as "PCIDSS") rules as below:-
I. Adhere to the PCIDSS requirement on data encryption;
i. Install and maintain a firewall configuration to protect Payment Instrument user data;
ii. Protect stored Payment Instrument user data;
iii. Use and regularly update anti-virus software or programs;
iv. Restrict access to Payment Instrument user data by business need to know i.e. minimize the number of staff who can view account data; and
v. Any new changes from time to time

(f) The Merchant shall preserve all records pertaining to Sales Slips and/or Credit Slips delivered to APSB including related invoices, purchase orders, delivery orders and other documents on which the charges are raised, for a minimum period of two (2) years (or as required by law) from the date of the Sales Slips and Credit Slips are delivered to APSB.

4 DATA SECURITY

4.1 OBLIGATIONS

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

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

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

(a) Visa implemented AIS to protect Payment Instrument user data. AIS applies to anyone who stores, processes or transmits Payment Instrument user data. You must comply with the 12 basic AIS requirements shown below:
  (i) Install and maintain a working network firewall to protect data accessible via the Internet.
  (ii) Keep security patches up-to-date.
  (iii) Encrypt stored data.
  (iv) Encrypt data sent across networks.
  (v) Use and regularly update anti-virus software.
  (vi) Restrict access to data by business "need to know" basis.
  (vii) Assign a unique ID to each person with computer access to data.
  (viii) Don't use vendor-supplied defaults for system passwords and other security parameters.
  (ix) Track access to data by unique ID.
  (x) Regularly test security systems and process.
  (xi) Maintain a policy that addresses information security for Employees.
  (xii) Restrict physical access to Payment Instrument user information.

(b) You should complete the AIS Self-Assessment Questionnaire, a copy of which can be obtained from us.

(c) You may have additional requirements, imposed at your expense, based on your transaction volume. These additional requirements may include, without limitation:
  (i) an annual onsite review and an Annual Report on Compliance, performed by a Qualified AIS Security Assessor and in accordance with the AIS Security Audit Procedures and Reporting document; and
  (ii) a System Perimeter Scan performed on your external-facing IP addresses, by a Qualified AIS Scan Vendor. For more information about the applicability of these additional requirements, contact us or visit the AIS website.

(d) Visa may impose fines or penalties or restrict you from participating in Visa programs if it is determined that you are not compliant with the applicable AIS requirements.

5. AUTHORISATION

5.1 GENERAL

(a) You must obtain an Authorisation Approval Code from us for all transactions. Failure to obtain an Authorisation Approval Code for a sales transaction may result in a Chargeback and/or the termination of your Merchant Services. Authorisation Approval Codes can be obtained through your POS Terminal. Any fees related to Authorisations will be charged for a request for an Authorisation Approval Code, whether or not the transaction is approved.
(b) Do not attempt to obtain an Authorisation Approval Code provided by someone other than us. If a Payment Instrument user or another service provider provides you with either an Authorisation number or with a telephone number for obtaining Authorisations, the Authorisation Approval Code you receive may not be valid. Even if the transaction is initially processed and funded, it may be charged back at a later date. Also, if you receive a purported Authorisation Approval Code from someone other than us, we will not have the supporting records and will be unable to verify that you received the Authorisation if that is later questioned in a Chargeback.
(c) An Authorisation Approval Code only indicates the availability of credit on an account at the time the Authorisation is requested. It does not warrant that the person presenting the Payment Instrument is the rightful

Payment Instrument user, nor is it a promise or guarantee that you will not be subject to a Chargeback.

(d) If you fail to obtain an Authorisation Approval Code or if you submit a Payment Instrument transaction after receiving a decline (even if a subsequent Authorisation attempt results in an Authorisation Approval Code), your transaction may be assessed fines or fees by the Payment Instrument Associations for which you will be responsible. To avoid these costs, always obtain an Authorisation Approval Code directly from your terminal before submitting a transaction for settlement.

(e) You may not attempt to obtain multiple Authorisations for a single transaction. If a sale is declined, do not take alternative measures with the same Payment Instrument to obtain an approval of the sale from other Authorisation sources. Instead, request another form of payment. If you accept and process a transaction that was declined, or attempt multi- transactions and/or multi-Authorisations, you are subject to a Chargeback, Association Fines and/or cancellation of your Merchant Services.

6 SUBMISSION/DEPOSIT OF SALE AND CREDIT RECEIPTS

6.1 SUBMISSION OF SALES FOR MERCHANTS OTHER THAN YOUR BUSINESS

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

6.2 TIMELINESS

In order to receive funds promptly, all Sales and Credit Receipts must be properly completed and submitted daily. For MOTO transactions (including the Merchant Deposit Slip), all Sales and Credit Receipts must be properly completed and submitted (applicable to MOTO transaction facility ONLY)

(a) within three (3) Business Days of the date of the transaction if You operate no more than one Primary Location; or

(b) within five (5) Business Days of the date of the transaction if You operate more than one Primary Location.

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

In respect of each completed Sales Receipt, provided that all the Terms and Conditions here have been complied with by you, we will pay to you the transaction payment:-

6.3 ELECTRONIC MERCHANTS: DAILY BATCHING REQUIREMENTS & MEDIA SUBMISSION **(Where Applicable)**

(a) Batches must be transmitted to us by the time notified by us to you as varied from time to time in order to be processed on the date of transmission. Additionally, if you deposit via magnetic tape, electronic transmissions, or electronic draft capture terminal (EDC), and have contracted to send the actual Sales and Credit Receipts to us. The Sales and Credit Receipts (Media) must be batched daily by register/terminal following the procedures below. Failure to do so may result in a processing fee and/or a Chargeback due to our inability to retrieve the Media as requested by the Issuer.

(b) A register/terminal Batch header form must be filled out for each Batch of Media.

(c) The Batch header must be imprinted with your Merchant Identification Payment Instrument, and all areas completed properly (i.e., Batch number, date, amount, number of items, etc.).

(d) The Batch/deposit total must match to the settled/reconciled amount displayed on the terminal upon closing the Batch.

(e) Any discrepancies between the actual Media and electronic display must be reconciled and corrected before storing the Media (for merchants who contract to hold their Media) or before sending us the copies of the deposit. Otherwise, transactions may appear to be a new Submission and may be manually keyed (causing duplicate billing to Payment Instrument users and resulting in Chargebacks) or we may not be able to retrieve an item when requested by the Issuer.

(f) It is your responsibility to ensure that the actual Media is batched correctly and securely stored at your location or sent to us. (In some cases, the actual Media is sent daily to your head office, and forwarded to us for microfilming.)

(g) You must confirm that your equipment has transmitted its Batches to us at least once daily. Even if your equipment is designed or programmed to close and submit Batches without your intervention, it is ultimately your responsibility to confirm that the Batches have been transmitted to us for processing.

7 REFUNDS/EXCHANGES (CREDITS)

7.1 REFUNDS

(a) You must promptly complete and submit a Credit Receipt (with your name, city, state and Merchant Account Number) for the total amount of the refund due to a Payment Instrument user.

(b) Full refunds must be for the exact Ringgit amount of the original transaction in the currency of the original transaction including tax, handling charges, etc. (You must identify the shipping and handling charges incurred.)

(c) A description of the goods or services is required.

(d) The transaction date of the Credit must appear on the Draft.
(e) All ringgit amounts and other handwritten information must be clearly written. (Stray marks on the Credit Receipt will render it unscannable/ illegible.)
(f) Do not circle or underline any information on the Credit Receipt.
(g) Never give cash, cheque or in-store Credit refunds for Payment Instrument sales. You should not credit an account that differs from the account used for the original transaction.
(h) Have the Payment Instrument user sign the Credit Receipt, give the Payment Instrument user the appropriate copy, and deposit the Credit Receipt immediately. Failure to process a Credit within five (5) calendar days may result in a Chargeback.
(i) Authorisation is not required for refunds.
(j) You cannot intentionally submit a sale and an offsetting Credit at a later date solely for the purpose of debiting and crediting your own or a customer's account.
(k) You are responsible for paying all refunds submitted to us on your merchant account. We assume no responsibility for verifying any Credits or refunds.
(l) You are responsible to secure your terminals and terminal passwords and change to its default passwords and to institute appropriate controls to prevent Employees or others from submitting refunds that do not reflect bona fide returns or reimbursements of prior transactions.

7.2 EXCHANGES

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

8 RETENTION OF RECORDS FOR RETRIEVALS AND CHARGEBACKS

8.1 RETAIN LEGIBLE COPIES

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

8.2 PROVIDE SALES AND CREDIT RECEIPTS

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

8.3 ENSURE PROPER RETRIEVAL FULFILLMENT

To ensure proper Retrieval fulfillments and/or Chargeback processing, Sales and Credit Receipts must contain full information. Failure to retain this information could result in a future Chargeback to your account.

9 CHARGEBACKS

9.1 GENERALLY

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

9.2 TRANSACTION DOCUMENTATION REQUESTS

(a) In some cases, before a Chargeback is initiated, the Payment Instrument Issuer will request a copy of the Sales Receipt, via a request for transaction documentation. We will forward the request to you. You must respond to the request within the time frame and manner set out in the request. We will then forward your response to the Payment Instrument Issuer. If you fail to timely respond, we will so notify the Payment Instrument Issuer and a Chargeback may result. Upon receipt of a transaction documentation request, immediately retrieve the requested Sales Receipt(s) using the following guidelines:
   (i) Make a legible copy, centred on A4 paper (only one (1) Sales Receipt per page).
   (ii) Write the 'case number' from the request for transaction documentation on each copy.
   (iii) If applicable, make copies of a hotel folio, car rental agreement, or mail/phone order form.
   (iv) If a Credit transaction has been processed, a copy of the Credit Receipt is also required.
   (v) Letters are not acceptable substitutes for Sales Receipts.
   (vi) Fax or mail legible copies of the Sales Receipt(s) to the fax number or mail address provided on the request form.
   (vii) If you fax your response, please set your fax machine to print your fax number and name on the

documents that you send. We can use this information to help know immediately where the documentation received originated from and to know whom to contact in the event the transmission is not clear or complete.

(viii) Additionally, please set the scan resolution on your fax machine to the highest setting. The higher resolution setting improves the clarity of characters and graphics on the Sales Receipts transmitted and helps reduce the number of illegible fulfilments and/or Chargebacks.

(b) If we do not receive a clear, legible and complete copy of the Sales Receipt within the timeframe specified on the request, you may be subject to a Chargeback.

(c) Issuer may impose a handling fee and will be debited from your Settlement Account or settlement funds if, a transaction documentation request results from a difference in the following information on the Sales Receipt and the transmitted record: merchant name, city, state, country and/or transaction date.

(d) You need to respond to all transaction documentation requests within the specified timeframe indicated on the request, or you may be without recourse of a Chargeback. You must respond to all requests related to fraud investigations. Subsequent Chargebacks for "non receipt of requested item relating to a transaction for fraud request" cannot be contested or represented.

9.3 CHARGEBACK PROCESS

(a) Regardless of whether you respond to a transaction documentation request, a Chargeback may be debited to your Settlement Account for numerous reasons (see below). If the Payment Instrument Issuer submits a Chargeback, we will send you a Chargeback notification, which may also include a request for transaction documentation. **Due to the short time requirements imposed by Mastercard and Visa, it is extremely important that you respond to a Chargeback notification and transaction documentation request within the time frame set out in the notification.** Do not process a Credit transaction once a Chargeback is received; the Payment Instrument Issuer will credit the Payment Instrument user's account (unless the Chargeback is reversed).

(b) If the information you provide is both timely and, in our sole discretion, sufficient to warrant a representment of the transaction and/or reversal of the Chargeback, we will do so on your behalf. However, representment and/or reversal is ultimately contingent upon the Payment Instrument Issuer and/or Payment Instrument user accepting the transaction under applicable Association guidelines. Representment or reversal is not a guarantee that the Chargeback has been resolved in your favour.

(c) For Visa Chargebacks, if we reverse the Chargeback and represents the transaction to the Payment Instrument Issuer, the Payment Instrument Issuer, at its sole discretion, may elect to submit the matter for arbitration before Visa. Visa may charge a fee for which you will be responsible. If a decision is made in favour of the Payment Instrument user and/or Payment Instrument Issuer, and the Chargeback is upheld, you will be responsible for all such fees and any other applicable fees and penalties imposed by Visa; such fees and penalties will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.

(d) If Mastercard refuses to accept our representment, it may resubmit the Chargeback. In such event, we will debit your Settlement Account or settlement funds for the Chargeback. You authorise us to do this. However, if you feel strongly that that it is an invalid Chargeback, we may, on your behalf and at your request, submit the matter for arbitration before Mastercard. Mastercard may charge a fee for which you will be responsible. If a decision is made in favour of the Payment Instrument user and/or Payment Instrument Issuer, and the Chargeback is upheld, you will be responsible for all such fees and any other penalties imposed by Mastercard; such fees and penalties will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.

(e) If the Chargeback is not disputed within the applicable time limits set out by Mastercard or Visa regulations, reversal rights are lost. Our only alternative, on your behalf, is to attempt a "good faith collection" from the Payment Instrument Issuer. This process can take from 30 to100 days. Good faith collections must meet the Payment Instrument Issuer's criteria (e.g., above a set ringgit amount, usually your local currency equivalent of RM250; within a specified time limit; etc.). Sometimes Payment Instrument Issuers will only accept good faith collections after assessing collection fees. A good faith collection is not a guarantee that any funds will be collected on your behalf. If the good faith collection case is accepted by the Payment Instrument Issuer, you will receive the amount that we are able to recover from the Payment Instrument Issuer (which may be reduced by fees Payment Instrument Issuers sometimes impose for accepting good faith collection claims).

(f) Association Rules and regulations require that a merchant must make a good faith attempt and be willing and able to resolve any disputes directly with the Payment Instrument user. Due to Association Rules, you may not re-bill a Payment Instrument user after a Chargeback is received for that transaction, even with Payment Instrument user Authorisation.

(g) We strongly recommend that you include a detailed rebuttal letter along with all pertinent documents when responding to a transaction request or a Chargeback notification (e.g., rental agreement, imprinted portion of the invoice or Sales Receipt; the portion signed by the Payment Instrument user; and the area where the Authorisation codes, with amounts and dates, are located).

(h) Due to the short time frames and the supporting documentation necessary to successfully (and permanently) reverse a Chargeback in your favour, we strongly recommend the following:

(i) Avoid Chargebacks by adhering to the guidelines and procedures outlined in these Operating Procedures.

(ii) If you do receive a Chargeback, investigate, and if you dispute the Chargeback, submit the appropriate documentation within the required time frame.

(iii) Whenever possible, contact the Payment Instrument user directly to resolve the dispute.

(iv) If you have any questions, call APSB Customer Service.

9.4 CHARGEBACK REASONS

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

(a) **Authorisation Issues**

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

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

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

(i) Authorise all transactions and use the proper method of Authorisation.

(ii) A valid approval Authorisation response indicates the Payment Instrument is valid and can be accepted for payment. An approval code is usually a 4-6 digit number, along with an Authorisation response of "approval."

(iii) A decline Authorisation response indicates the Payment Instrument should not be accepted for payment. Request a different form of payment from the Payment Instrument user or do not release the merchandise.

(iv) "Pick-up" Authorisation response from the Issuer indicates the Payment Instrument account number is lost or stolen.

The Payment Instrument should not be accepted for payment. Additionally, you can choose to retain the Payment Instrument and return it to the Acquirer for a reward. If you retain a JCB card, you must return it to us as soon as possible, but in any case within 7 calendar days.

(v) Referral Authorisation response prompts you to call us for further instructions.

(b) **Cancellations and Returns**

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

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

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

(i) For recurring transactions – ensure your customers are fully aware of the conditions of this type of transaction.

(ii) Process Credits daily.

(iii) All Credits must be applied to the account to which the debit originally posted.

(iv) Pre-notify the Payment Instrument user of billing within 10 days (domestic) and 15 days (international) prior to billing, allowing the Payment Instrument user time to cancel the transaction.

(v) Do not continue to bill after proper cancellation or after receipt of Chargeback.

(vi) Ensure proper disclosure of your refund policy is on the Sales Receipt, the words "No Exchange, No REFUND," etc. must be clearly printed on the Sales Receipt (or electronic equivalent, i.e., the receipt printed when a Payment Instrument is swiped through a terminal) near or above the Payment Instrument user's signature.

(vii) Do not issue Credit in the form of a cheque.

(viii) Do not issue in-store or merchandise Credit.

(ix) For travel and entertainment transactions, provide the cancellation policy at the time of reservation.

(x) For Internet transactions ensure that there is an area on the web page where the Payment Instrument user must acknowledge an understanding of the cancellation policy prior to completing the transaction.

(c) **Fraud**

The following scenarios could cause a fraud related Chargeback to occur

- Unauthorised or fictitious account number
- Fraudulent processing of a transaction
- Fraudulent mail/phone order transaction

- Counterfeit Transaction
- Fraudulent transaction – no imprint obtained, where applicable
- Fraudulent transaction – no signature obtained
- Risk Identification Service
- Advance Deposit Service

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

<u>For Face to Face Transactions</u>

(xi) If you are a merchant with EDC, insert/swipe/wave/scan the Payment Instrument through the electronic Authorisation device to capture Payment Instrument user information and ensure the displayed Payment Instrument number matches the number on the Payment Instrument (for physical Credit/Debit cards)

(xii) Carefully examine the front and back of the Payment Instrument at the time of transaction, check the signature and compare it to the signature on the Draft for Credit/Debit cards.

Do not imprint the Payment Instrument user's card on the back of the transaction receipt or a separate document unless all transaction elements are present.

<u>For Mail/Telephone Orders (for Visa/Mastercard Only and if such facility is approved ONLY)</u>

(i) Follow recommended procedures – use Verified by Visa (VBV) for Internet transactions, CVV2/CVC2, Secure Code.

(ii) Obtain the Payment Instrument user's account number, name and address with city and state. At time of transaction advise the Payment Instrument user of any extra cost that they are responsible for (shipping, handling, insurance etc.).

i. Confirm the account number provided by the customer by repeating the number back to the customer.

ii. Required Data Elements on the folio/registration documentation for a GNS (Guaranteed No Show) Transaction :
    - Account number with expiration date
    - Payment Instrument user name, address, phone number
    - Transaction amount (one night's lodging + tax)
    - Authorisation Approval Code
    - Merchant name, address
    - Rescheduled check in date
    - Reservation Confirmation Code
    - Guaranteed No Show" billing

(d) **Non Receipt of Goods and Services**

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

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

- Do not process a transaction until the merchandise is shipped.
- Do not process any Payment Instrument transaction where the Payment Instrument user has already paid for the goods or services using another method of payment.
- Inform the Payment Instrument user of any specific cancellation policies or Advance Deposits.

(e) **Processing Errors**

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

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

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

(i) Settle and reconcile your Batches on your terminal/register daily. Ensure that the total amount settled and submitted (displayed on terminal) balances with, and match to, the Payment Instrument receipts of the transactions.

(ii) Obtain Payment Instrument imprint (or insert/swipe the Payment Instrument through electronic Authorisation device to capture Payment Instrument user information) and Payment Instrument user signature.

(iii) If you are a merchant with EDC, insert/swipe/scan the Payment Instrument through the electronic

Authorisation device and ensure the displayed Payment Instrument number (for Credit/Debit cards) matches the number on the Payment Instrument.

(iv) Carefully examine the front and back of the Payment Instrument at the time of transaction.
(v) Compare the signature on the back of the Payment Instrument with the signature on the Sales Receipt.
(vi) Telephone orders – confirm the account number provided by the customer by repeating the number back to the customer.
(vii) Properly authorise all transactions.
(viii) If the terminal does not display the Payment Instrument number (for Cards), call the APSB for a terminal upgrade.

(f) **Quality of Goods and Services**

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

- Defective merchandise
- Not as described

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

i. Ensure all merchandise is shipped properly.
ii. Ensure all return policies are properly disclosed to the Payment Instrument user at the time of sale.

(g) **Non Receipt of Information**

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

- Transaction receipt not received
- Copy illegible
- Payment Instrument user does not recognise transaction
- T&E document not fulfilled

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

(i) Prepare clean, legible Sales Receipts at the point of sale and send requests within the required time frame (failure to properly respond to a fraud request eliminates any opportunity for a Chargeback reversal).
(ii) Retain copies of transaction documents for at least two (2) years from the original sales/post date (or any longer period as may be required under law).
(iii) Ensure that the most recognisable merchant name, location, and/or customer service phone number is provided on all transaction documentation.
(iv) Timely respond to all notifications and requests.

10 OTHER DEBITS AND ADJUSTMENTS

10.1 DEBITS

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

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

10.2 SUMMARY (DEPOSIT) ADJUSTMENTS/ELECTRONIC REJECTS

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

- Your summary reflected an arithmetic error.
- Submitted sales not included in your Merchant Services (e.g American Express)
- The ringgit amount is unreadable/illegible
- The Payment Instrument user's account number is unreadable/illegible
- Duplicate Sales Receipt submitted.
- Credit Payment Instrument number is incorrect/incomplete
- Summary indicated credits, but no credit were submitted

10.3 DISPUTING OTHER DEBITS AND SUMMARY ADJUSTMENTS

(a) In order to quickly resolve disputed debits and Summary Adjustments, it is extremely important that the items listed in this section be faxed or sent to the address listed on the notification.

(b) If the Summary Adjustment is for unreadable or incorrect Payment Instrument user number, resubmit the corrected Sales Receipt with your next deposit. Also, if the transaction is over thirty (30) calendar days old, you must reauthorise and obtain a valid Authorisation code.

(c) A clear and legible copy of the Sales Receipt containing the following should be obtained from your files :
  - Date of Sales/Credit
  - Payment Instrument users' account number, name and signature.
  - Total amount of the sale and description of goods and services
  - Date and Authorisation Approval Code

(d) A dated cover letter detailing the reasons for requesting a review of the debit or Summary Adjustment and documentation to support your dispute. (You should retain a copy of the correspondence and all documentation for your files.) If the inquiry is related to prior correspondence, be sure to include the control number we previously used.

(e) Immediately fax, email or mail the Sales or Credit Receipts to the fax number, email address or postal address provided on your notification letter.

(f) If you have any questions, please call us. If a Customer Service Representative informs you that additional documentation is required in order to fully review the item, please immediately submit your rebuttal and transaction documentation to the fax number or address listed on the debit notification.

11 ACCOUNT MAINTENANCE

11.1 CHANGE OF SETTLEMENT ACCOUNT

If you change the Settlement Account in which you receive the proceeds of your transactions, you must call Customer Service or your Relationship Manager immediately. If you accept American Express, JCB you are also responsible for contacting the Associations or companies governing those Payment Instruments to notify them of this change.

11.2 CHANGE IN YOUR DETAILS

(a) If there is change in your legal entity name or structure, you must call Customer Service or your Relationship Manager and request for a new Merchant Application Form.

(b) To change your company trading name, address or telephone/ facsimile number, you must send the request in writing to the address on your statement.

12 ASSOCIATION COMPLIANCE

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

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

13 MASTERCARD BUSINESS RISK ASSESSMENT AND MITIGATION (BRAM)

13.1 You must not submit for payment, any transaction that:

(a) is illegal; or

(b) may, in the sole discretion of Mastercard, damage the goodwill of Mastercard or reflect negatively on the Mastercard brand including, but not limited to:
  (i) the sale or offer of a good or service other than in full compliance with law then applicable to us, the card issuer, you, the card user or Mastercard; and
  (ii) the sale of a good or service, including an image, which is patently offensive and lacks serious artistic

value or any other material that Mastercard, in its sole discretion, deems unacceptable for sale in connection with the Mastercard mark.

13.2 You agree that we must notify Mastercard if you process or intend to process transactions relating to Internet gambling or the non face to face sale of prescription drugs or tobacco products or such other business as Mastercard may advise from time to time.

13.3 If you process or intend to process any transactions listed in clause 13.2 above, on acceptance of this Merchant Services and once annually during the Term, you must allow us to view all such information as we reasonably request in order to obtain a written opinion from an independent, reputable and qualified legal counsel that the business carried on by you complies with all laws applicable to you, any of your prospective customers, us, the card issuer or Mastercard. You acknowledge that you will not be permitted to process transactions until such time as this opinion has been provided to the satisfaction of Mastercard each year during the Term.

13.4 In the event that we receive notification from Mastercard that you are alleged to have sold goods that infringe a third party's intellectual property rights, we will notify you within five (5) business days of receiving such notice and you agree to provide us with all such information and records as are necessary to enable us to investigate the allegation and provide an appropriate response to both Mastercard and the person that alleged the infringement. You agree to indemnify us for all such loss and damage that we may sustain arising from or in connection with these allegations.

13.5 You acknowledge that we are required to regularly monitor your website to ensure that you are processing transactions in accordance with the Terms and Conditions, all applicable laws and card Association Rules.

PART B: DEBIT & E-WALLET PAYMENT INSTRUMENTS

14 SPECIAL PROVISIONS FOR DEBIT & E-WALLET PAYMENT INSTRUMENT

14.1 DEBIT & E-WALLET PAYMENT INSTRUMENT ACCEPTANCE

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

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

14.2 TRANSACTION PROCESSING

The following general requirements apply to all Debit Payment Instrument transactions:

(a) All debit transactions must be authorised and processed electronically. There is no Voice Authorisation or Imprinter procedure for Debit Payment Instrument transactions.
(b) You may not complete a Debit Payment Instrument transaction that has not been authorised. If you cannot obtain an Authorisation at the time of sale, you should request another form of payment from the customer.
(c) You may not complete a Debit Payment Instrument transaction without entry of the Personal Identification Number (PIN) by the Payment Instrument user.
(d) The PIN must be entered into the PIN pad only by the Payment Instrument user. You cannot accept the PIN from the Payment Instrument user verbally or in written form.
(e) You must issue a receipt to the Payment Instrument user upon successful completion of a transaction. The Payment Instrument user account number will be masked so that only the first 6 and last 3 digits will appear. The masked digits will appear as a non-numeric character such as an asterisk. This is referred to as PAN truncation.
(f) You may not manually enter the account number. The account number must be read electronically from the Magnetic Stripe/Chip. If the Magnetic Stripe/Chip is unreadable, you must request another form of payment from the customer.
(g) Any applicable tax must be included in the total transaction amount for which Authorisation is requested. Tax may not be collected separately in cash.
(h) You are responsible to secure your terminals, terminal passwords and change to its default passwords and to institute appropriate controls to prevent Employees or others from submitting refunds and voids that do not reflect bona fide returns or reimbursements of prior transactions.
(i) You must not store any PIN and you must securely store any account information so as to prevent unauthorised access, use or disclosure.

14.3 TRANSACTION PROCESSING

The following general requirements apply to E-Wallets Payment Instrument transactions:

(a) All E-Wallets transactions must be authorised and processed electronically by scanning the QR Code. There is no Voice Authorisation or Imprinter procedure for E-Wallet Payment Instrument transactions.
(b) You may not complete an E-Wallet Payment Instrument transaction that has not been approved. If you cannot

obtain an approval at the time of sale, you should request another form of payment from the customer.

(c) You must issue a receipt to the Payment Instrument user upon successful completion of a transaction..

(d) Any applicable tax must be included in the total transaction amount for which Authorisation is requested. Tax may not be collected separately in cash.

(e) You are responsible to secure your terminals, terminal passwords and change to its default passwords and to institute appropriate controls to prevent Employees or others from submitting refunds and voids that do not reflect bona fide returns or reimbursements of prior transactions.

(f) You must not store any PIN and you must securely store any account information so as to prevent unauthorised access, use or disclosure.

14.4 RECONCILIATION

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

14.5 ADJUSTMENTS.

(a) An adjustment is a transaction that is initiated to correct a Debit and/or E-Wallet Payment Instrument transaction that has been processed in error.
You will be responsible for all applicable adjustment fees that may be charged by a Debit & E-Wallet Payment Instrument network. Some networks may have established minimum amounts for adjustments.

(b) There are several reasons for adjustments being initiated:
 (i) The Payment Instrument user was charged an incorrect amount, either too little or too much.
 (ii) The Payment Instrument user was charged more than once for the same transaction.
 (iii) A processing error may have occurred that caused Payment Instrument user to be charged even though the transaction did not complete normally at the point of sale.

(c) All parties involved in processing adjustments are regulated by time frames that are specified in the operating rules of the applicable Debit/E-Wallet Payment Instrument network and other applicable law.

PART C: GLOSSARY

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

Authorisation Approval Code: A number issued to a participating merchant by the Authorisation Centre which confirms the Authorisation for a sale or service.
Authorisation Centre: A department that electronically communicates a merchant's request for Authorisation on Payment Instrument transactions to the Payment Instrument user's bank and transmits such Authorisation to the merchant via electronic equipment or by voice Authorisation.
Batch: A single Submission to us of a group of transactions for settlement. A Batch usually represents a day's worth of transactions.
Dial-Up Terminal: An Authorisation device which, like a telephone, dials an Authorisation centre for validation of transactions.
Electronic Draft Capture (EDC): A process which allows a merchant's Dial-Up Terminal to receive Authorisation and capture transactions, and electronically transmit them to a Payment Instrument processor.
General Terms: The terms and conditions set out in this document, as amended from time to time.
Media: The documentation of monetary transactions (i.e., Sales Receipts, Credit Receipts, computer printouts, etc.)
Merchant Account Number (Merchant Number): A number that numerically identifies each merchant, outlet, or line of business to us for accounting and billing purposes.
PAN Truncation: A procedure by which a Payment Instrument user's copy of a Sales or Credit Receipt will only reflect the first 6 and last 3 digits of the Payment Instrument.
Payment Instrument Validation Codes: A three-digit value printed in the signature panel of most of the card-based Payment Instruments and a four-digit value printed in the front of an American Express card. Visa's card Validation Code is known as CVV2; Mastercard's card Validation Code is known as CVC2. JCB's card Validation Code is known as CAV2. Payment Instrument Validation Codes are used to deter fraudulent use of an account number in a non-face-to-face environment, (e.g. MOTOs and Internet orders), which must not be stored after Authorisation.
PIN: A Personal Identification Number entered by the Payment Instrument user to submit a Payment Instrument transaction.
QR Code: means a quick response code.
Recurring Payment Indicator: A value used to identify transactions for which a consumer provides permission to a merchant to bill the consumer's Payment Instrument account at either a predetermined interval or as agreed by the Payment Instrument user for recurring goods or services.
Referral: The message received from an Issuer requiring Authorisation to be obtained by means of a call to us or Voice Response Unit (VRU).
Retrieval Request/Transaction Documentation Request: A request for documentation related to a Payment Instrument transaction such as a copy of a Sales Receipt or other transaction source documents.
Sales/Credit Summary: The identifying form used by a paper Submission merchant to indicate a Batch of Sales Receipts and Credit Receipts (usually one day's work).
Split Dial: A process which allows the Authorisation terminal to dial directly to different Payment Instrument processors (e.g., Amex) for Authorisation.
Split Dial/Capture: Process which allows the Authorisation terminal to dial directly to different Payment Instrument processors (e.g., Amex) for Authorisation and Electronic Draft Capture.
Store and Forward: A transaction that has been authorised by a merchant when the merchant cannot obtain an Authorisation while the customer is present, typically due to a communications failure. The merchant will store the transaction electronically in their host system and retransmit the transaction when communications have been restored.
Submission: The process of sending Batch deposits to us for processing, electronically or by mail.

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