

Dear Sir/Madam

RE: **LETTER OF OFFER – MPAY SPONSORED MERCHANT MPOS, QR, EDCPOS AND/OR INTERNET PAYMENT GATEWAY (“PROGRAMME”)**

We refer to your application to become our merchant. Subject to satisfactory outcome of our due diligence checks, we are pleased to welcome you onboard on the following terms and conditions. In addition to this letter, this arrangement is to be regulated by an agreement (“MPAY Sponsored Merchant Agreement”) between us that supplements the terms and conditions set out in this letter.

1. **Fees and Charges**

Fees and charges under our promotional plan are as set out in Section 1 of Schedule 1. Other value-added charges are set out in Section 2 of Schedule 1.

2. **Term**

The Programme is for a period as set out in Section 3 of Schedule 1 commencing from the date of activation of your account (“Term” where it includes a renewed term). The Term will be automatically renewed upon expiry unless terminated earlier by either of us giving to the other party a written notice of such number of days as set out in Section 5 of Schedule 1 to terminate prior to expiry of the Term.

3. **Risk Management**

Single Transaction Limit and Monthly Transaction Limits are as set out in Section 4 of Schedule 1, and is subject to change at our discretion from time to time.

4. **Chargeback/Dispute**

You will accept responsibility for all chargebacks related to any disputes on payment transaction, and/or any items on the Card statement. (“Chargeback”). You shall immediately pay to us a sum to be determined by us in writing in relation to any potential loss resulting from any Chargeback or any Contentious/disputed/fraudulent transaction(s).

Further, to prevent Chargeback due to late settlement, you are advised to perform settlement at least once a day on the day of transaction. In the event any such settlement is made later than seven (7) days from the date of transaction, we are entitled to withhold any settlement due to you for the relevant transaction until the technical window for Charge back is closed. MPay reserve its right to delay or suspend any payments subject to MPAY’s completion of satisfactory checks (Including but not limited to Anti-Money Laundering and countering to Financing of Terrorisms). Such reverse, delay or suspension shall be notified to the Master Merchant and/or Merchant in writing/by email as soon as reasonably practicable.

5. **Card Particulars**

It is your responsibility to ensure that in the case of ‘chip-and-sign’ Cards, all your Card customers sign on the approved sales receipt and verify the signature on the signature panel at the back of the Card. In the case of ‘chip-and-pin’ Cards, in addition to the security measures set out in paragraph 13.2, you are to ensure that all such Card customers insert their pin number for each transaction. “Card” in this letter shall mean MPay Balance, any other pre-paid, credit or debit payment card mentioned herein and shall include such other pre-paid, credit or debit payment card acceptable in Malaysia. In the event the approved sales receipt is not signed, we reserve the right to hold back any settlement until the technical window for Chargeback is closed. In relation to, it is your responsibility to inform your customer to enter the card number, expiry date, cvv and one-time pin number of the credit/debit card during each transaction.

6. **Cancellation/Rejection Fee**

A fee as set out in Section 6 (a) of Schedule 1 will be imposed in the event:

- (i) You withdraw or cancel your application before your account is activated.
- (ii) Your application is rejected.

7. **Termination Costs**

We reserve the right to retain all fees paid by you in advance to recover termination costs. Termination of this arrangement under this letter or the Merchant Agreement shall not prejudice all our rights accrued prior to termination and will not relieve you of your obligation to pay any outstanding including but not limited to rental and/or support fee, license and service fees, and/or subscription fee up to the date the Term would have expired, interest and all other costs including that relating to collection of overdue amounts. All payments made and/or owing by you to us, including advance payment for subsequent years’ rental fee, support fee, subscription fee and/or delivery charges (if any) shall become immediately due and payable, and if already paid, shall be fully forfeited and not to be refunded to you.

8. **Direct debit**

You shall authorise your bank with an irrevocable instruction to debit your account for monthly payment directly into our bank account all annual rental, support fee and/or subscription fee not collected by us in advance at the time of your acceptance of this letter, as well as such other fee as we shall prescribe from time to time.

9. **Indemnity**

You agree to provide details of your business to our satisfaction for compliance with the Anti-Money Laundering, Counter Terrorism Financing regulations and/or any other provisions applicable. Further, you agree and undertake to fully indemnify us for all losses, damages, claims, cost and expenses in respect of or in connection with any and all actions, suits, claims, demands and/or proceedings brought against us with respect to, in connection with or resulting from:

- (a) your performance of your obligations under this Letter of Offer; and
- (b) any claim brought by a customer with respect to your products and/or services provided by you
(Including *Refund*)

10. **Refund**

If Merchant issues a refund of the payment received, MPAY may retain its MDR or other relevant fees as stipulated in Schedule 1.

11. **Set-off**

You hereby irrevocably authorise us to set off any monies due and/or owing by you to us, including but not limited to any sums due to us, any unpaid Terminal rental fee, support fee, subscription fee and/or any other fee under the Programme that is owing, including Chargeback, with any monies (including any deposits) that are or as shall become due and/or owing by us to you, including any sums due to you as part of the proceeds of payment transactions settlement.

12. **Onsite Technical Support**

Onsite technical support is available free of charge to the Merchant.

13. **Acceptance of the Payment Card**

We are also pleased to inform that you shall enjoy the privilege of selecting and requesting from your customer the type of payment options including but not limited to Card, available credit and/or debit and/or QR payments (whichever is applicable) that you wish to accept for payment. When your customer is about to make payment, besides the MPay Balance, you may also request for "MyDebit" or any other debit cards. Upon the customer presenting its Card or the QR user presenting its QR (whichever is applicable), you may select the payment option that has been readily made available on the MPAY Terminal under the Programme. In relation to the customers who proceed to checkout with their carts, they will be directed from your website to the checkout page and may then make payments via credit and/or debit and/or QR code that have been readily made available under the Programme.

To this effect you may, upon approval from MPAY and/or Sponsored Bank and/or QR Operator (being the bank and/or QR Operator that sponsors the Programme), display appropriate notices to inform your customers on the type of Card and/or payment options that your business would invite as first choice for payment. Such notice however should not have any negative or discriminatory effect on the other Card types that you agree to accept.

14. **Compliance & Security**

14.1 "Double Swiping" or Unauthorised Card Data Capture

Pursuant to the Personal Data Protection Act 2010 ("PDPA") and in compliance with the Payment Card Industry Data Security Standard or PCIDSS, except for those data or information allowed/consented in writing by the Sponsored Bank and/or QR Operator, you are strictly prohibited from capturing/storing/copying the data contained on the card and/or within the data storage elements on the card vis. the magnetic stripe and/or the "chip" data or that of the cardholder and/or the data of the QR user. "Double swiping" i.e. the capture of card data on other terminals or devices other than authorised and provided by MPay is not allowed.

14.2 Security for "Pin Based" transactions

Card transactions that require a Personal Identification Number ("PIN") to be keyed on the terminals or PIN Pads require a very high level of security from your end to ensure your customers are able to key in the PIN with full confidence that there are no risks to the PIN being copied/captured/compromised.

You should therefore ensure the following are being complied with and carried out at all times:

- i. That you provide proper space for the customer to key in the PIN with ease;
- ii. That your cashier or staffs around the area, "LOOK AWAY" when the customer enters its PIN;
- iii. That your staff ensure the other customers/persons stand at a reasonable distance away from and not "crowd around" the customer who is about to key in their PIN.

15. **Taxes**

15.1 Unless otherwise expressly stated, fees and all other sums payable or consideration to be provided under this letter are exclusive of any applicable taxes or other sales or value added taxes.

15.2 All payments or other amounts payable to you are to be paid after deduction or withholding as required by applicable law.

15.3 Any taxes or levies now or hereafter imposed by law or required to be paid in respect of any monies payable to or to be received by us and/or the Sponsored Bank and/or QR Operator (whichever is applicable) on any expenses incurred or to be incurred by us and/or the Sponsored Bank and/or QR Operator (except where prohibited by law) shall be borne by you.

15.4 All other taxes, duties or government charges now or hereafter imposed or levied in connection with this Programme shall be borne by you.

15.5 You hereby agree that we and/or the Sponsored Bank and/or QR Operator reserves the right to set-off any monies due to you and/or debit your banking account(s) for such taxes or levies payable by you. In the event such debiting causes your banking account(s) to be overdrawn, an interest at the Sponsored Bank's prevailing rate(s) or an interest at current prevailing rate (where QR is applicable) shall be charged accordingly to you.

16. **Schedules**

Schedule 1 and 2 form the integral parts of this letter, and in the event of any conflict between this letter and the schedules, the following order of precedence shall apply for purposes of resolution of the conflict unless otherwise expressly agreed and provided in this letter and the schedules:

- (i) Schedule 2;
- (ii) Schedule 1; and
- (iii) Letter of Offer.

17. **Specific Conditions**

- 17.1 The MPAY Terminal shall remain the exclusive property of MPAY and you will not sell, mortgage, assign, encumber or dispose of any interest therein. The ownership of the MPAY Terminal vests at all times with us and must therefore be returned to us in good working condition upon termination. In the event you fail to return the MPAY Terminal in good working condition, you shall be liable to pay us a compensation sum as set out in Section 6(b) of Schedule 1 per MPAY Terminal. In any event, as the MPAY Terminal will be in your possession until it is returned to us, you shall be responsible for loss (including theft) of the MPAY Terminal for whatever reason and you shall be similarly liable to pay us a compensation sum for loss of the MPAY Terminal at the same compensation sum as set out in Section 6(b) of Schedule 1 per MPAY Terminal. This term is applicable to Rental Package for MPAY PRO and/or EDCPOS only.
- 17.2 You must notify MPAY immediately on any incident involving the MPAY Terminal.
- 17.3 MPAY reserves all the right, title and interest in and to all intellectual property relating to the MPAY Terminal or any part thereof including, without limitation, all patent and industrial design rights, integrated circuit topography rights, copyright, trade secrets, trade names and trade-marks. You acknowledge that parts of the MPAY Terminal contain confidential and proprietary information of MPAY and agree not to permit any part of the MPAY Terminal to be copied, replicated, stored, reverse-engineered, publicly disclosed or used for any purpose other than as expressly permitted by this Letter of Offer.
- 17.4 Fees chargeable for request in reactivation on other device shall be as set out in Section 6(c) of Schedule 1 per account.
- 17.5 By accepting the MPAY Terminal that is now provided to you based on your present requirement, you also agree that should you require us to replace the MPAY Terminal for any reasons whatsoever, including reasons of incompatibility with your mobile device or devices, we shall provide a replacement MPAY Terminal at a replacement cost as set out in Section 6(d) of Schedule 1 per MPAY Terminal.
- 17.6 You are expected to conduct your account actively upon activation. It is within our absolute discretion to decide whether your conduct of the account is inactive in which event we shall be at liberty to terminate the arrangement under this letter and the MPAY Sponsored Merchant Agreement. Clause 7 shall apply accordingly.
- 17.7 MPAY will not in any circumstances be liable to you or any third party for any consequential, incidental, special punitive or exemplary damages, economic loss or loss profits, opportunity or business regardless whether arising by statute, contract, tort (including negligence), or any other legal principle, regardless whether MPAY was made aware of the likelihood of such damages or loss occurring.
- 17.8 This Letter of Offer will be construed in accordance with and governed by the laws of the Malaysia and the parties agree to submit to the jurisdiction of the courts in Malaysia.

Kindly indicate your understanding and acceptance of the terms and conditions set out herein by signing and returning a declaration form within fourteen (14) days from the date hereof. Should you need any clarification, please feel free to contact our MPAY Call Center at 1700-81-6729. We thank you again for giving us the opportunity to recruit you as our Merchant and hope that this card acceptance facility will help you grow your sales and business.

Yours faithfully,

ManagePay Services Sdn Bhd (200001014035 (516641-W))

[This letter of offer is computer generated and requires no signature. Please note that this letter becomes legally binding between you and us as soon as you sign and return the copy of this letter]