



## MERCHANT SERVICE TERMS - I-PAY PAYMENT SERVICE

### 1 INTRODUCTION

1.1 By using the payment system licensed to PayU by i-Pay Secure Payment Proprietary Limited (formerly branded as PayU EFT Pro) (the "**Service**"), you, as the Merchant, agree that you have read, understand and are bound by –

1.1.1 these Merchant Service Terms – i-Pay payment system ("**Service Terms**");

1.1.2 the Merchant Service Terms - General ("**General Terms**");

1.1.3 the provisions of the relevant hardcopy or electronic application form relevant to the Service ("**Application Form**"); and

1.1.4 any notices which may be published under "**Notices**" on the Website from time to time.

1.2 Your use of the Service indicates your acceptance without modification of these Service Terms, as read with the General Terms and the Application Form, which will together constitute a legal agreement ("**Agreement**") between you and PayU.

1.3 Unless the context clearly indicates the contrary, any term defined in the General Terms when used herein, shall bear the same meaning as defined in the General Terms. To the extent that there is any inconsistency between any provision of the General Terms and these Service Terms, then these Service Terms shall override the General Terms to the extent of the inconsistency.

### 2 DURATION

The Agreement shall commence with effect from the date of activation of the Service by PayU which date shall not be earlier than the requested commencement date set out in your Application Form and shall endure until either of us terminates it in accordance with the General Terms.

### 3 THE SERVICE

#### 3.1 General

The Service enables you, as a Merchant, to receive online payments from your customers or payment makers ("**Payers**") via electronic funds transfer ("**EFT**") and to receive instant payment notifications of those payments. Such EFT payments must be

made through one of the South African banks supporting the Service, currently being Standard Bank, ABSA Bank, Nedbank, Capitec and First National Bank.

### **3.2 How the Payer Makes Payment**

3.2.1 At the time of checkout on PayU's redirect responsive payment page, a Payer will be provided with an option to make a payment to you using the Service.

3.2.2 If the Service is selected, the Payer will be redirected to a page provided by PayU, or its authorised service provider, in order to select his or her bank (limited to the banks described in clause 3.1 above).

3.2.3 After the bank is selected, the Payer will be required to enter his/her online banking credentials in order to login and proceed with the transaction. The Payer will then be directed to an online 'once off payment screen' provided by PayU or its authorised service provider. The 'once off payment screen' will be pre-populated with, for (a) merchants who use PayU's acquiring account, PayU's bank account details, and (b) merchants who use their own acquiring account, your payment details (such as your merchant store name, your bank, branch code, merchant bank account number, transaction reference(s)) and the transaction amount.

3.2.4 Following the Payer confirming the details, the Payer's bank will provide the Payer with a one-time PIN via SMS or USSD push notification. The Payer will be required to enter such one-time PIN and confirm payment.

3.2.5 Once the Payer has confirmed payment, PayU will match the payment to your Payer's transaction and send you an instant payment notification that payment from such Payer has been successful, expired or failed.

### **3.3 Receipt of Funds**

3.3.1 If you use PayU's acquiring account, funds will be paid into one of PayU's own South African bank accounts, where the funds will be held for you until paid out to you in accordance with clause 3.4 below. Consequently, by registering for the Service you appoint PayU to process payments and to accept the proceeds of payment instructions from your Payers on your behalf in accordance with your instructions, subject to the terms and restrictions of your Agreement with PayU. PayU will at all times hold the funds it receives on your behalf, separate from our own funds, and will not use your funds for our own expenses or voluntarily make same available to our creditors. However (a) you acknowledge that the Service is a payment processing service, not a banking service and PayU is not acting as a bank, trustee, fiduciary or escrow in respect of your funds; and (b) your account balance represents an unsecured debt owed by PayU to you, which is at risk in the event of PayU's insolvency and is not covered by any compensation scheme or any other public or private insurance scheme.

3.3.2 If you use your own acquiring account, a Payer will make payment to you into your merchant bank account as provided in your Application Form.

### 3.4 **Payment of Proceeds**

3.4.1 If you use PayU's acquiring account, PayU will pay to you such amounts being held by us for you (i.e. the proceeds of EFT payments having been identified as being due to you), subject to the deduction of any applicable Service Fees, Taxes, and/or fines levied or claims made by the bank against us in relation to your Payer's payments. Payment to you will be made weekly in arrears. Irrespective of the automated timing of payments, a payment will not be made if there are insufficient funds held on your behalf at such time.

3.4.2 If you use your own acquiring account, the proceeds of the EFT payments by your Payers will be paid into your account after settlement. You will be invoiced the Services Fees as set out in clause 5 below and in accordance with the terms set out in your Application Form.

### 3.5 **Refunding your Payers**

The Service does not include the processing of any refunds to your Payers. You are solely responsible for processing any refund due to any of your Payers.

## 4 **IMPOSED TRANSACTION LIMITS & DELAYS**

PayU or its authorised service provider reserves the right to –

4.1 impose an upper limit on the amount of a single transaction which will be accepted through the Service;

4.2 impose certain limits with regards to the flow of funds in the system including, but not limited to, funds received and funds withdrawn. Details of these limits will be available on the Website from time to time; and

4.3 freeze or suspend your access to the Service for an indefinite period if there is suspicion of any illegal activity taking place or for any other reason whatsoever.

## 5 **SERVICE FEES**

5.1 Unless otherwise agreed with you in writing, the specific Service Fees applicable to you are as set out in your Application Form or otherwise as set out on the Website.

5.2 The Service Fees are as follows –

5.2.1 a set-up fee (if applicable);

- 5.2.2 a fixed fee on each EFT payment successfully processed;
- 5.2.3 a variable fee expressed as a percentage of the value of each EFT transaction successfully processed; and
- 5.2.4 a fixed fee per pay-out of funds to you.
- 5.3 The Service Fees are due upon the processing of each relevant transaction or pay-out, as the case may be and are deducted from any funds we hold for you under this Agreement or invoiced monthly in arrears.
- 5.4 You are liable for the Service Fees levied on each EFT payment successfully processed irrespective of whether such payment is thereafter refunded to the Payer. In the event that the funds held by PayU on your behalf are insufficient for the deduction of any applicable Service Fees, you remain liable for such Service Fees.
- 5.5 PayU will not be held responsible for incorrect banking details being provided by you which may lead to funds held by PayU on your behalf being transferred to the incorrect party.

## **6 INTELLECTUAL PROPERTY RIGHTS**

- 6.1 All rights, title and interest to the proprietary technology including, amongst others, modifications, enhancements, improvements, updates, additions, derivative works and related material to the Service, shall, before, during and after the termination of this Agreement, vest in i-Pay.
- 6.2 You undertake in favour of i-Pay that you shall not use, duplicate or copy the Service for any other purpose other than specified in this Agreement or authorised in writing by i-Pay. You recognise that i-Pay owns the Service and you shall not reverse engineer the proprietary technology or infringe on i-Pay's intellectual property rights regarding the Service.

## **7 DISCLAIMER & LIMITATION OF LIABILITY**

- 7.1 In addition to and without limiting the disclaimer provisions set out in the General Terms, but subject to your legal rights, the Service is provided to you without any warranty or representations (including that the service be error free, accurate and/or complete) and not subject to any condition, except as may be expressly provided otherwise in the Agreement.
- 7.2 You understand and acknowledge that the Service, as read with the General Terms, shall always be subject to the terms and regulations imposed by PayU's payment processors and service providers and your bank.

## 8 **CONSEQUENCES OF SUSPENSION & TERMINATION**

If you use the Service in a manner that violates the Agreement, including but not limited any prohibited conduct described in the General Terms or any other applicable Service Terms, we may be entitled to suspend or terminate the provision of the Services, as stated in the relevant provisions of our General Terms.