

ANZ PACIFIC POS MERCHANT SERVICES

TERMS AND CONDITIONS | **EFFECTIVE FEBRUARY 2019**
AMERICAN SAMOA, COOK ISLANDS, FIJI, KIRIBATI,
PAPUA NEW GUINEA, SAMOA, SOLOMON ISLANDS,
TIMOR-LESTE, TONGA, VANUATU EDITION





ANZ PACIFIC

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Terms and Conditions | **EFFECTIVE FEBRUARY 2019**

American Samoa, Cook Islands, Fiji, Kiribati, Papua New Guinea,
Samoa, Solomon Islands, Timor-Leste, Tonga, Vanuatu Edition

TABLE OF CONTENTS

1. Introduction	4	6.4 Promotional Material	24
2. General Obligations of the Merchant	4	7. Information Collection, Storage, Disclosure and Audit	25
2.1 Provision for Merchant Facilities	4	7.1 General	25
2.2 Conditions Precedent	5	7.2 Privacy and confidentiality	25
2.3 Merchant Account	5	7.3 Audit	27
2.4 Nominated Cards	5	8. Fees, Charges, Payments and Commissions	28
2.5 Honoring Nominated Cards and Permitted Uses	6	8.1 Payment of Fees and Charges	28
3. Transaction Types	7	8.2 Commission	29
3.1 Purchase	7	9. Liability, Indemnity and Set-off	29
3.2 Withdrawal	7	9.1 Indemnity	29
3.3 Deposit	8	9.2 ANZ Liability	30
3.4 Purchase Mobile Phone Airtime Vouchers (Top-Up Mobile Phone)	8	9.3 Third Party Bureau Services	31
3.5 Purchase Goods with Cash-Out	8	9.4 Set-off	31
3.6 Redeem Collection Codes	9	10. Appointment of Agent, Subcontractor or Other Party	32
4. Processing Transactions	10	11. Representations and Warranties	32
4.1 Processing	10	12. Suspension and Termination	33
4.2 Authorisation	13	12.1 Suspension of Merchant Facility or Freezing of Merchant Account	33
4.3 Refunds	14	12.2 Termination	33
4.4 Fallback Transactions	14	13. Miscellaneous	36
4.5 Contactless Transaction	15	13.1 Variation to the Agreement, including Fees and Charges	36
4.6 Transaction Information	15	13.2 Notice	36
4.7 Settlement of Transactions	16	13.3 Relationship of the Parties	36
4.8 Merchant's Account	21	13.4 Assignment	37
5. Electronic Terminals and Card Imprinters	21	13.5 Severability	37
5.1 Electronic Terminals	21	13.6 Waiver	37
5.2 Electronic Terminals - Use	22	13.7 Merchant's Continuous Obligations	37
5.3 Electronic Terminals and Card Imprinters - Security	23	13.8 Security	38
6. ANZ Obligations	24		
6.1 Merchant Operating Guides	24		
6.2 Training	24		
6.3 Supply of Card Imprinters and Stationery	24		



13.9 Money Laundering Prevention and Other Offences	38	6 ANZ's obligation to the merchant	63
13.10 Governing Law	38	7 Merchant Acknowledgements	63
13.11 Dispute Resolution Procedures	39	8 Termination	64
13.12 APS222 Disclosure	39	Specific Conditions B – CustomerPreferred Currency	65
13.13 Foreign Exchange Laws	39	<i>(Applicable in Papua New Guinea, Cook Islands, Fiji and Samoa)</i>	
13.14 Fraud Minimisation Guide	39	1 About these Specific Condition B	65
14. Interpretation and Glossary	53	2 About the CPC service	65
14.1 Interpretation	53	3 Programme requirements	65
14.2 Meaning of Words and Expressions (for General Conditions and Specific Conditions)	54	4 Processing and Settlement of CPC transactions	66
Specific Conditions A – ANZ eGate	60	5 Operating Instructions	66
<i>(Applicable in Papua New Guinea, Cook islands, Fiji and Samoa)</i>			
1 About these Specific Condition A	60		
2 Merchant Operating System Requirements	60		
3 What are the merchants obligations	60		
4 Merchants website	61		
5 Interlectual property – ANZ Software	62		

1. INTRODUCTION

- (a) This document contains the general conditions for the provision of Merchant Facilities by ANZ to the Merchant and forms part of the Merchant Agreement between the Merchant and ANZ.
- (b) The Merchant Agreement consists of:
 - (i) the Letter of Offer including any special conditions contained therein;
 - (ii) these “ANZ Pacific POS Merchant Services Terms and Conditions” (General Conditions); and
 - (iii) all applicable Merchant Operating Guides, as varied from time to time in accordance with condition 13.1.
- (c) It is advisable that the Merchant reads all documents comprising the Merchant Agreement under which ANZ provides the Merchant Facilities to the Merchant.
- (d) Some terms have special meanings which are explained in condition 14 (Interpretation and Glossary).

2. GENERAL OBLIGATIONS OF THE MERCHANT

2.1 Provision for Merchant Facilities

- (a) ANZ agrees to provide the Merchant with the Merchant Facilities in accordance with the Merchant Agreement. ANZ agrees to do this in exchange for the merchant carrying out the Merchant’s obligations in accordance with the terms of the Merchant Agreement.
- (b) ANZ will provide the Merchant Facilities unless:
 - (i) the Merchant Agreement is terminated in accordance with condition 12.2;
 - (ii) the Merchant Facilities are suspended in accordance with condition 12.1; or
 - (iii) there is a change in Law or to the regulations, by-laws or rules of a Nominated Card Scheme that prevents ANZ providing the Merchant Facilities.
- (c) The Merchant must provide Cardholders with the Transaction types in accordance with the terms of the Merchant Agreement.

2.2 Conditions Precedent

ANZ's obligation to make any of the Merchant Facilities available to the Merchant is conditional upon ANZ being satisfied that:

- (a) the Merchant has accepted ANZ's offer in accordance with the method of acceptance required by ANZ in the Letter of Offer;
- (b) if the Merchant is a company, ANZ has received all documents requested by ANZ in writing prior to entering into the Merchant Agreement;
- (c) if the Merchant is a trustee of a trust, ANZ has received a copy of the trust deed, and any variations or amendments to the trust deed, each certified to be a complete, correct and up-to-date copy;
- (d) if the Merchant is a partnership, ANZ has received a copy of the partnership deed and any variations or amendments to the partnership deed, each certified to be a complete, correct and up-to-date copy; and
- (e) any other conditions set out in the Letter of Offer have been fulfilled.

2.3 Merchant Account

The Merchant shall hold a Merchant Account with ANZ, in the name of the Merchant, for the settlement of funds.

2.4 Nominated Cards

- (a) The Merchant must:
 - (i) accept Nominated Cards in accordance with condition 2, 5; and
 - (ii) stop accepting a Nominated Card immediately if:
 - ANZ gives the Merchant a notice to do so; or
 - any of the events described in condition 2.1(b) occur.
- (b) To remove any doubt the Merchant must not:
 - (i) accept a Nominated Card as a means of payment for goods or services ordered by mail, telephone, facsimile or Internet order; or
 - (ii) take Cardholder details via mail, telephone, facsimile or the Internet, unless specifically authorised in writing by ANZ.

2.5 Honoring Nominated Cards and Permitted Uses

- (a) The Merchant must accept valid Nominated Cards.
- (b) A Nominated Card is valid if:
 - (i) the Nominated Card has current validity dates;
 - (ii) the Nominated Card is a UnionPay Nominated Card with or without an expiry date.
 - (iii) for card present Transactions, the Nominated Card has not been visibly altered or tampered with in any way;
 - (iv) for card present Transactions, the Nominated Card is signed on the back in the designated area for card signatures;
 - (v) for card present Transactions, the card number appearing on the Nominated Card corresponds with the truncated number printed on the Transaction Voucher or encoded on the Nominated Card;
 - (vi) for card present Transactions, the signature on the reverse of the Nominated Card has not been altered or defaced; and
 - (vii) the Nominated Card meets each of the criteria for validity set out in the Merchant Operating Guides.
- (c) The Merchant must not:
 - (i) make any representation in connection with any goods or services or any Nominated Card which may bind ANZ;
 - (ii) make any representations to any Cardholder concerning ANZ's products or policies;
 - (iii) pledge the credit of ANZ in any way;
 - (iv) take part in the preparation of any documents purporting for credit to be provided by ANZ to the Cardholder;
 - (v) engage in any conduct which is false, misleading or deceptive concerning goods or services supplied by the Merchant, ANZ's products or policies, or in any other dealings with the Cardholder; or
 - (vi) use a Nominated Card in a Credit Transaction to give a Cardholder cash unless the Merchant is a hotel or cruise line Merchant where the Merchant may only give cash disbursements of up to USD250 or equivalent to a registered guest provided that the following conditions are satisfied:
 - the Cardholder indicates at registration the intent to pay for the hotel or cruise line's services with a Visa Nominated Card;

- before disbursement, the Merchant reviews positive identification (such as a passport or driver's license) and, if permitted under applicable Law, records the type and number of the identification on the Transaction Voucher; and
 - the Merchant completes a cash disbursement Transaction Voucher and writes on the front of the Transaction Voucher both the Cardholder's positive identification and the four (4) digits printed on the account card number on the Nominated Card.
- (d) Any Cardholder making enquiries concerning the matters raised in paragraphs (c) (ii) to (c)(iv) above must be directed to contact ANZ Electronic Banking Services (refer to your letter of offer).

3. TRANSACTION TYPES

This section explains the Transaction types which may be available to Cardholders. The Merchant should refer to its Letter of Offer for a list of the Transaction types it has agreed with ANZ to provide to Cardholders.

3.1 Purchase

- (a) The purchase Transaction allows Cardholders to pay for goods or services with their Nominated Card.
- (b) On completion of the purchase Transaction:
- (i) the Merchant will provide the Cardholder with the goods or services;
 - (ii) the Merchant's Account will be credited with the purchase amount;
 - (iii) by the end of each day, or when the merchant performs a manual settlement, the Merchant's Account will be debited any applicable fees and charges, and credited any applicable commissions.

3.2 Withdrawal

- (a) Withdrawal allows a Cardholder to withdraw cash from the Cardholder's account where the Merchant has sufficient cash funds to complete the Cardholder's withdrawal request. This Transaction can only be performed by a Cardholder using an ANZ Debit Card.
- (b) On completion of the withdrawal Transaction:
- (i) the Merchant will provide the Cardholder with cash funds equal to the withdrawal amount, less any applicable fees or charges;

- (ii) the Merchant's Account will be credited with the amount withdrawn; and
- (iii) by the end of each day, or when the Merchant performs a manual settlement, the Merchant's Account will be debited any applicable fees and charges, and credited any applicable commissions.

3.3 Deposit

- (a) Deposit allows a Cardholder to visit the Merchant with cash and request that the Merchant facilitates a deposit into the Cardholder's account. This Transaction can only be performed by a Cardholder using an ANZ Debit Card.
- (b) The Merchant can only complete the Deposit request if the Merchant has sufficient Available Funds to complete the Cardholder's deposit request.
- (c) On completion of the deposit Transaction, the Cardholder's account will be credited with an amount equal to the cash deposited with the Merchant, less any applicable fees or charges. The Merchant's Account will be debited with the amount of the cash deposited, less any applicable fees or charges. Any applicable commissions will be credited to the Merchant's Account by the end of each day.

3.4 Purchase Mobile Phone Airtime Vouchers (Top-Up Mobile Phone)

- (a) Top-Up Mobile Phone allows the Cardholder to purchase airtime credit vouchers for selected mobile phone networks. This Transaction can only be performed by a Cardholder using an ANZ Debit Card.
- (b) On completion of the Transaction, the receipt from the Merchant's Electronic Terminal will detail a mobile phone airtime voucher code and this must be given to the Cardholder.
- (c) Once the Cardholder has the airtime voucher code, the Cardholder will be able to contact the mobile phone network provider and redeem the voucher for airtime credit.
- (d) ANZ is not liable for applying the airtime credit to the Cardholder's mobile phone account. Any questions or issues surrounding the top-up voucher once it has been purchased should be directed to the Cardholder's mobile phone network operator.

3.5 Purchase Goods with Cash-Out

- (a) When the Cardholder purchases goods, the Cardholder has the option to request to withdraw funds from their account. This Transaction can only be performed by a Cardholder using an ANZ Debit Card.

- (b) The Transaction is conducted in the same way as a standard goods purchase Transaction (see condition 3.1) however the Merchant is required to enter two amounts, first the purchase amount, and then the cash out amount. The terminal will then display the total amount.
- (c) On completion of the Transaction, the Merchant will provide the Cardholder with cash equal to the withdrawal amount requested by the Cardholder.

3.6 Redeem Collection Codes

- (a) The Merchant can only redeem Collection Codes if the Merchant has sufficient Available Funds (including cash funds) to complete the Transaction.
- (b) The Send Money Transaction is a Transaction completed by an ANZ goMoney Account Holder on their mobile phone which generates a Collection Code. The ANZ goMoney Account Holder must disclose the Collection Code and the amount of the Send Money Payment to the Send Money Recipient.
- (c) The Send Money Recipient must successfully claim the Send Money Payment from the Merchant by no later than 22:00 hours local time on the seventh (7th) Business Day following the day on which the Collection Code was generated. If the Send Money Recipient does not successfully claim the Send Money Payment within this time period, the funds will not be available and the Collection Code will no longer be valid.
- (d) The Merchant is not permitted to redeem part of the Send Money Payment; the Merchant must redeem the full amount of the Send Money Payment.
- (e) The Merchant's Account will be credited with funds equal to the Send Money Payment amount. On completion of the Transaction the Merchant will provide cash funds to the Send Money Recipient equal to the value of the Send Money Payment.
- (f) All details provided by the Send Money Recipient and entered by the Merchant must be correct. If any of the details provided are incorrect, the claim of the Send Money Payment will be unsuccessful.
- (g) If the Send Money Recipient wishes to dispute the amount or payment of the Send Money Payment they must contact the ANZ goMoney Account Holder who initiated the Send Money Payment.

4. PROCESSING TRANSACTIONS

4.1 Processing

- (a) The Merchant must only use Transaction Vouchers, Card Imprinters and Electronic Terminals authorised by ANZ for card present Transactions.
- (b) If ANZ has agreed that the Merchant can process card present Transactions electronically, the Merchant must not use a Card Imprinter to process the same Transaction. The Merchant may only process a Transaction manually using the Card Imprinter if the Electronic Terminal is malfunctioning or it is impossible for Transactions to be processed through it and the Merchant is instructed by ANZ to process the Transaction manually.
- (c) Where the Merchant is authorised by ANZ to accept a Nominated Card as payment for goods ordered by mail, telephone or the Internet in accordance with condition 2.4(b), the Merchant must ensure such goods are dispatched to the Cardholder immediately after processing that sales Transaction either manually or through an Electronic Terminal.
- (d) The Merchant must not use two or more Transaction Vouchers to process one Transaction or process a Transaction where only part of the amount due is included on the Transaction Voucher except:
 - (i) where the balance of the amount due is paid in cash or by cheque; or
 - (ii) where the goods or services are to be delivered or performed at a later date and one Transaction Voucher represents a deposit and the second Transaction Voucher represents payment of the balance. The second Transaction Voucher must not be presented or processed until the goods are delivered or the services performed.
- (e) The Merchant must not process a Transaction on behalf of another person (such as a business) or another merchant, and must not allow another person to use the Merchant Facilities except under a bona fide agency arrangement.
- (f) The Merchant must use reasonable care in processing a Transaction to detect forged or unauthorised signatures or the unauthorised use or forgery of a Nominated Card. In particular, the Merchant must comply with specific requirements set out in the Merchant Operating Guides or otherwise notified by ANZ to the Merchant in writing.
- (g) Following each Transaction (including Internet orders authorised by ANZ under condition 2.4(b) but excluding mail, telephone and facsimile Transactions), the Merchant must immediately give the Cardholder a copy of the Transaction Voucher. When the Transaction is a telephone Transaction, the Merchant must provide the Cardholder with a receipt number for the Transaction and the Merchant must maintain a record of that receipt number.

- (h) Unless otherwise authorised by ANZ in writing, the information on the Transaction Voucher must be identical with information on any copy of the Transaction Voucher and must include all information required by the Merchant Operating Guides.
- (i) If ANZ determines that the conduct of a Merchant in processing Transactions may cause loss to the Merchant or ANZ (through fraudulent activities or otherwise), ANZ may:
 - (i) where the Merchant is using a Card Imprinter, require the Merchant to replace that Card Imprinter with an Electronic Terminal nominated by ANZ;
 - (ii) where the Merchant is authorised by ANZ to accept a Nominated Card as payment for goods or services ordered by mail, telephone or the Internet in accordance with condition 2.4(b), withdraw that authorisation and require the Merchant to only process Transactions where the Nominated Card is presented by the Cardholder; and
 - (iii) terminate the Merchant Agreement.
- (j) The Merchant must prominently and clearly inform the Cardholder of the identity of the Merchant so that the Cardholder can readily distinguish the Merchant from any supplier of goods or services to the Merchant or other third party. The Merchant must also provide notice to the Cardholder that the Merchant is responsible for:
 - (i) the sales Transaction including any goods or services that are the subject of the sales Transaction;
 - (ii) all customer service relating to the sales Transaction;
 - (iii) dispute resolution in connection with the sales Transaction; and
 - (iv) performance of the terms and conditions of the sales Transaction.
- (k) In the event that the Merchant is specifically authorised by ANZ to accept a Nominated Card as payment for goods or services ordered by mail, telephone, facsimile or the Internet in accordance with condition 2.4(b) or the Merchant processes recurring payments, the Merchant must ensure that the Transaction is correctly identified as a mail, telephone, Internet order or recurring Transaction.
- (l) The Merchant must comply with all applicable Laws in carrying out its obligations in processing Transactions under the Merchant Agreement. For the avoidance of doubt, a breach of any Law including any code of conduct specifically regulating or prohibiting the retention by Merchants of Cardholders' personal identification numbers, passwords or other codes or information that can be used to access a Cardholder's account will constitute a breach of this undertaking.
- (m) The Merchant must ensure that it processes all Transactions in accordance with the requirements of any Nominated Card Scheme rules that ANZ notifies to the Merchant.

- (n) The Merchant must ensure that the Transaction is recorded in the currency of the country of domicile of the Merchant except where ANZ has given prior written approval to the Merchant to record Transactions in other currencies.
- (o) The Merchant must not complete a Transaction where the amount of the proposed Transaction (including any applicable fees and charges), exceeds the Merchant's Available Funds.
- (p) The Merchant must not complete a Transaction in breach of the Authorised Floor Limit. ANZ may at any time change the Merchant's Authorised Floor Limit by giving notice to the Merchant.
- (q) Subject to the specific requirements for UnionPay Contact Transactions below, the Merchant must not process a Transaction (other than mail, telephone or Internet order Transactions) unless the Cardholder's identity is verified as follows:
- (i) the correct entry of the Cardholder's PIN into the EFTPOS Terminal, followed by the verification of the PIN with an 'ACCEPTED' response displayed on the EFTPOS Terminal;
 - or ii) verification of the Cardholder's signature, whereby the Merchant shall take all reasonable steps to ensure that the signature on the Transaction Receipt or Transaction Voucher is not forged or unauthorised and that it corresponds with the signature on the card.
- (r) Merchants are required to:
- Insert the chip card into the EFTPOS terminal. If the chip card is swiped first, the terminal will read the service code and display a prompt to insert the chip card into the EFTPOS terminal.
 - Follow the picture or diagram displayed on the terminal screen that shows which way the chip should face.
 - Ensure sure the chip card is inserted in the EFTPOS terminal device during the entire transaction.
 - Ensure the chip card is not swiped unless instructed to do so on the terminal screen.
 - Not remove the chip card until instructed to do so by the EFTPOS terminal.
 - Follow the instructions on the terminal screen.
- (s) The Card and Cardholder must be present for all Chip-initiated Transactions. If a Chip-initiated Transaction is declined by the Issuer, the Transaction must not be processed by any other means.
- (t) The merchant must process the Transaction using data read from the Chip on a Chip Card unless any of the following apply, in which case the Transaction must be completed using data read from the Magnetic Stripe of a Chip Card:

- The Chip is not EMV-Compliant.
- The Chip reader is inoperable.
- The Chip malfunctions during the Transaction or cannot be read.

If neither the Chip nor Magnetic Stripe of a Chip Card can be read and the Transaction is accepted using a paper voucher or key entry, the device must follow correct the Fallback Transaction and acceptance procedures specified in condition 4. 4

- (u) If an unembossed card will not swipe and the chip cannot be read, the Merchant should ask for another form of payment. The Merchant must not manually key enter unembossed cards, or otherwise record the card number.

4.2 Authorisation

- (a) The Merchant must seek prior authorisation from the Authorisation and Assistance Centre for any Transaction (**Authorisation**) where:
 - (i) in the case of a Credit Transaction:
 - the value is in excess of the Authorised Floor Limit; and
 - the Transaction is processed using a manual imprinter.
 - (ii) the Merchant is aware that, or considers it is possible that, a signature is a forgery or is unauthorised or there is an unauthorised use or forgery of the Nominated Card;
 - (iii) the account card number appearing on the Nominated Card does not correspond with the truncated card number printed on the Transaction Voucher or encoded on the Nominated Card;
 - (iv) the truncated card number appearing on the Transaction Voucher does not correspond with the card number printed, encoded or otherwise shown on the Nominated Card used for the Transactions;
 - (v) the Cardholder presents a Nominated Card at a time which is not within current validity dates shown on the Nominated Card;
 - (vi) the signature panel on the Nominated Card is blank or the signature has been altered or defaced;
 - (vii) The Electronic Terminal instructs the Merchant of a "card error refer" message;

or
 - (viii) the Transaction is of a certain type or class which has been notified to the Merchant by ANZ as a type or class of Transaction requiring Authorisation.
- (b) When the Merchant seeks Authorisation, the Merchant must ensure that the Authorisation code appears in writing on each Transaction Voucher applicable to a Transaction.

- (c) The Merchant should seek to retain the Nominated Card until Authorisation is given. In the event that the Merchant is requested by the Authorisation and Assistance Centre to retain the Nominated Card, the Merchant should use reasonably peaceful means to retain the Nominated Card and deal with the Nominated Card in accordance with the instructions of the Authorisation and Assistance Centre.
- (d) Where the Merchant is authorised by ANZ to accept a Nominated Card as payment for goods or services ordered by mail, telephone or the Internet in accordance with condition 2.4(b), Authorisation is not a representation or warranty by ANZ to the Merchant that the purchase is made by the Cardholder unless notified otherwise by ANZ.
- (e) Authorisation of a Transaction is not a representation or warranty by ANZ to the Merchant that a Transaction is a valid Transaction.
- (f) ANZ will not accept Authorisation requests for UnionPay Nominated Cards

4.3 Refunds

The Merchant must:

- (a) establish a fair policy for giving Refunds and for exchanges or return of goods for sales Transactions;
- (b) only give a Refund by means of:
 - (i) a Transaction Voucher processed via the same payment channel to the same Nominated Card on which the original Transaction was made;
 - (ii) a credit note issued by the Merchant; or
 - (iii) an exchange of goods, and not in cash or by cheque;
- (c) disclose the Merchant's Refund policy to the Cardholder prior to undertaking any Transaction;
- (d) at all times act in accordance with the Merchant Operating Guides in processing Refunds; and
- (e) obtain the account signature(s) of the Cardholder(s) for manual Refunds.

4.4 Fallback Transactions

If the EFTPOS terminal cannot read the chip on the embossed card, the Merchant shall follow "fallback" acceptance procedures as prompted on the terminal screen;

- (a) If on the third attempt chip cannot be read by the terminal, the EFTPOS terminal will first fallback to magnetic stripe.
- (b) Only if the magnetic stripe cannot be read should key entry take place. Key entered transactions should be the last option.

- (c) Because the Fallback Transaction is swiped or keyed, the normal rules of transaction processing for zero floor limit transactions, as applicable, will apply:
 - a. a signature will be required, without an option to capture PIN; or
 - b. for key-entered transactions, manual imprints will be required.
- (d) The Merchant must not force a Fallback Transaction if the card is presented. The Merchant must ensure their staff are trained to follow the prompts on the terminal to avoid higher levels of key entered transactions.
 - (i) The Merchant may be financially liable for any penalties levied due to 'forced' Fallback Transactions

4.5 Contactless Transaction

When a Contactless Transaction is conducted on the EFTPOS terminal in an amount that does not exceed the applicable [Contactless Transaction CVM limit amount, as defined in the Letter of Offer;]

- (i) The Transaction must be completed without Cardholder verification ("No CVM" as the CVM); and
- (ii) The provision of a Transaction receipt to the Cardholder is at the Merchant's discretion. The Merchant must provide a receipt if requested by the Cardholder.

4.6 Transaction Information

- (a) The Merchant must lodge all Transactions with ANZ for settlement in accordance with the Merchant Operating Guides and:
 - (i) in the case of a Transaction processed manually, within 3 Business Days after the Transaction;
 - (ii) in the case of a Transaction processed through an Electronic Terminal other than a Credit Authorisation Terminal, immediately by entering the Transaction; and
 - (iii) in the case of a Transaction processed electronically by use of a Credit Authorisation Terminal, within 3 Business Days after the Transaction.
- (b) The Merchant must retain information about a Transaction whether processed manually or electronically for a period of:
 - (i) twelve (12) months for debit Nominated Cards, UnionPay Nominated cards and Visa Nominated Cards;
 - (ii) eighteen (18) months for MasterCard Nominated Cards; or

- (iii) thirty six (36) months for JCB Nominated Cards, from the date of the Transaction, or such other period required by Law or notified by ANZ. The Merchant Operating Guides set out the information about a Transaction which must be retained by the Merchant and how such information must be retained.
- (c) At the end of the relevant record retention period specified in paragraph (b), or such other period notified by ANZ from time to time, the Merchant must destroy any information about the Transaction. The Merchant must ensure that any document containing a Nominated Card's t card number is securely destroyed in a manner which makes that information unreadable.
- (d) Within five (5) Business Days of a request from ANZ, the Merchant must provide to ANZ information about any Transaction as set out in the request.

4.7 Settlement of Transactions

- (a) ANZ agrees to accept:
 - (i) all sales and cash Transactions processed by the Merchant in accordance with the Merchant Agreement, and in particular condition 4.1 and the Merchant Operating Guidelines, and to credit the Merchant Account with the settlement amount of such Transactions on the basis that the debt due by the Cardholder to the Merchant in respect of the Transaction is extinguished; and
 - (ii) all Refund Transactions processed by the Merchant in accordance with the Merchant Agreement, in particular condition 4.3 and the Merchant Operating Guidelines, and to debit the Merchant Account with the full amount of each Refund Transaction.
- (b) Where ANZ is aware or has reason to believe that a Transaction or Invalid Transaction is fraudulent, or a counterfeit Nominated Card has been used for that Transaction, ANZ reserves the right for a period of thirty (30) days to:
 - (i) withhold payment to the Merchant Account; and
 - (ii) unless it otherwise agrees in writing, prevent the debit of that part of the balance of the Merchant Account or any account held by the Merchant with ANZ, as is equal to the amount ANZ estimates may become owing to it by the Merchant in respect of that Transaction.
- (c) During that thirty (30) day period specified in paragraph (b), ANZ will investigate the Transaction to determine whether ANZ will:
 - (i) either:
 - refuse to process the Transaction and return the Transaction to the Merchant; or

- if the Transaction has been processed, charge that Transaction back to the Merchant; and
 - (ii) set-off amounts owing to it by the Merchant in respect of that Transaction against funds standing to the credit of the Merchant Account or any account held by the Merchant with ANZ.
- (d) Where:
- (i) ANZ is aware or has reason to believe that a Transaction or Invalid Transaction is fraudulent;
 - (ii) ANZ assesses the Merchant as a high credit or fraud risk;
 - (iii) the Merchant has breached the Merchant Agreement; or
 - (iv) ANZ otherwise determines on reasonable grounds that deferred settlement is justified in order to prevent loss to the Merchant or ANZ,

ANZ may defer settlements of any Transaction which occurs during a period of up to three (3) months following the occurrence of the circumstance set out in paragraphs

(i) to (iv) above (the **Deferred Period**). Such settlement may be deferred for up to two (2) Business Days. Immediately prior to the end of any Deferred Period, ANZ will review the relevant circumstance set out in paragraphs (i) to (iv) above, to determine whether deferred settlements should continue and what period that deferral should be. ANZ will advise the Merchant in writing of its decision upon completing the review.

- (e) If a Transaction is an Invalid Transaction, ANZ may, at its sole discretion (and without a request or demand from a Cardholder):
 - (i) refuse to accept the Transaction; or
 - (ii) if the Transaction has been processed, at any time within six (6) months of the date of the Transaction or delivery date of the goods or services, charge that Transaction back to the Merchant by debiting the Merchant Account or otherwise exercising its rights under the Agreement.
- (f) If ANZ receives a payment from a Cardholder relating to an Invalid Transaction that has been charged back to the Merchant, ANZ will pay an amount equal to that payment to the Merchant less any amount which ANZ is entitled to withhold or set-off under the Merchant Agreement.
- (g) Despite any contract, arrangement or understanding to the contrary, in respect of all Transactions processed by the Merchant, the Cardholder will be entitled to initiate a charge back of the Transaction to the Merchant where permitted in accordance with the rules of the relevant Nominated Card Schemes.

- (h) A Transaction is invalid if:
- (i) the Transaction is illegal, including, without limitation, because it is in breach of any Law governing, for example, the sale of prescription medicines, controlled substances or other regulated products;
 - (ii) the date of the Transaction is a date after the Merchant Agreement was suspended or the Merchant Account frozen in accordance with condition 12.1 or terminated in accordance with condition 12.2;
 - (iii) the Merchant processed the Transaction knowing (or in circumstances where the Merchant should have known) that the signature on the Transaction Voucher is forged or unauthorised;
 - (iv) the Merchant processed the Transaction knowing (or in circumstances where the Merchant would reasonably be expected to know) that the Nominated Card is used without the authority of the Cardholder or in the case of a mail, telephone or internet order authorised by ANZ in accordance with condition 2.4(b), the Transaction is not authorised by the Cardholder;
 - (v) the Merchant was notified by ANZ not to accept the Nominated Card used in the Transaction;
 - (vi) the Nominated Card used in the Transaction is not used within the current validity dates shown on the Nominated Card;
 - (vii) the Transaction Voucher is not completed in accordance with condition 4.1 or is illegible;
 - (viii) the particulars on the copy of the Transaction Voucher given to the Cardholder are not identical with the particulars on any copy and the Merchant has not been authorised by ANZ in writing to accept copy vouchers which are not identical in accordance with condition 4.1(h);
 - (ix) the Transaction is recorded in a currency other than the currency of the country of domicile of the Merchant, except where ANZ has given prior written approval to the Merchant to record Transactions in other currencies in accordance with condition 4.1(n);
 - (x) the Transaction price charged for the goods or services to which the Transaction relates is more than the Merchant's normal price which is charged to the general public;
 - (xi) the Transaction value exceeds the Authorised Floor Limit, and the Merchant did not obtain authorisation for a Transaction above the Authorised Floor Limit;

- (xii) the Transaction requires Authorisation by ANZ and the Transaction Voucher does not contain the Authorisation code in accordance with condition 4.2;
- (xiii) in ANZ's reasonable opinion the Transaction relates to one or more purchases made in the same Merchant establishment which have been split into two (2) or more Transactions in an attempt to avoid the Authorised Floor Limit;
- (xiv) the Merchant has arranged without ANZ's consent for a person other than the Merchant to supply the goods, services or cash the subject of the Transaction;
- (xv) the Merchant processed the Transaction knowing (or in circumstances where the Merchant should have known) that the Transaction is fraudulent;
- (xvi) the Cardholder has not received the goods or service as required by the terms of the Transaction (and, in the case where the Merchant is not the provider of the goods or services and acts as agent for the provider of the goods or services, the goods or services have not been provided by the principal) and the Merchant has failed to provide ANZ with proof of receipt of, and satisfaction with, the goods or services by the Cardholder within five (5) Business Days of ANZ's request to do so;
- (xvii) the goods or services to which the Transaction relates were supplied from outside the country of domicile of the Merchant without ANZ's consent;
- (xviii) in the case of a Transaction being a mail, telephone, facsimile or internet order authorised by ANZ in accordance with condition 2.4(b), the Merchant did not record Reasonable Identification Details of the Cardholder and the expiry date of the Nominated Card;
- (xix) except in the case of a mail, telephone, facsimile or Internet order authorised by ANZ in accordance with condition 2.4(b), the Nominated Card was not presented to the Merchant;
- (xx) in the case of a Transaction where the details are keyed into an Electronic Terminal, the Merchant did not record on the Transaction Voucher Reasonable Identification Details of the Cardholder;
- (xxi) the Merchant has not otherwise complied with the Merchant Agreement in connection with the Transaction and ANZ is of the reasonable opinion that such non-compliance may result in either ANZ or the Merchant suffering a loss;

- (xxii) the Transaction is processed by the Merchant on behalf of another person, or has allowed another person to use the Merchant Facilities in connection with the Transaction, except under a bona fide agency arrangement;
- (xxiii) the Merchant has accepted a Nominated Card as payment for goods and services by mail, telephone or internet order without specific authorisation in writing by ANZ pursuant to condition 2.4(b);
- (xxiv) the Merchant bills the amount of the Transaction direct to the Cardholder or receives payment through the use of card, or by any other means, which is not the card number or truncated card number appearing on the Transaction Voucher does not correspond with the card number printed, encoded or otherwise shown on the Nominated Card used for the Transaction unless prior Authorisation from the Authorisation and Assistance Centre has been obtained;
- (xxv) the Merchant fails to lodge Transactions with ANZ for settlement in accordance with condition 4.4(a);
- (xxvi) the same Transaction is[erroneously] processed by the Merchant more than once;
- (xxvii) the Merchant key-enters incorrect Transaction details into the Electronic Terminal or key-enters the Transaction otherwise than in accordance with the Merchant Operating Guides;
- (xxviii) the Merchant manually processes a Transaction using a damaged Nominated Card which is not a valid Nominated Card referred to in condition 2.5(b) without obtaining prior approval by ANZ;
- (xxix) if, in ANZ's reasonable opinion, the Cardholder justifiably disputes liability for the Transaction for any reason;
- (xxx) if the Cardholder makes a claim for set-off or counter claim in respect of the Transaction against ANZ;
- (xxxi) the Transaction was processed in breach of the requirements of any Nominated Card Scheme rules notified by ANZ to the Merchant under condition 4.1(m);
- (xxxii) the Transaction is not Authorised by ANZ or the Authorisation request is declined for any reason;
- (xxxiii) the Merchant charges any credit or debit card surcharge or any other charge not approved by ANZ for the use of the Nominated Card by the Cardholder.
- (xxxiiii) a contactless transaction in which a pin was used

- (xxxiii) the merchant notifies ANZ of any transaction that is not credited to the merchant account more than 30 days after the transaction has been processed by the merchant on the ANZ EFTPOS terminal provided. ANZ at its sole discretion, may reprocess the transaction as an unbanked transaction however the merchant accepts liability if disputed by the cardholder and/or issuing bank due a late presentment.

4.8 Merchant's Account

- (a) The Merchant authorises ANZ to debit and credit the Merchant Account for the purposes of the Merchant Agreement.
- (b) The Merchant must maintain a minimum credit balance in the Merchant Account during the term of the Merchant Agreement and six (6) months post termination of the Merchant Agreement. Any such minimum credit balance will be specified in the Letter of Offer or notified by ANZ to the Merchant from time to time.

5. ELECTRONIC TERMINALS AND CARD IMPRINTERS

5.1 Electronic Terminals

- (a) Unless otherwise agreed, the Merchant must arrange, at the Merchant's cost, for an approved telecommunication supplier to install and maintain all necessary telecommunications infrastructure and associated services (including, for example, a telephone line or wireless communication device) to enable the use of the Electronic Terminal. ANZ is not responsible for maintaining any telecommunications requirements in connection with the Merchant Agreement except for terminals that operate via GPRS technology. For GPRS-enabled terminals, ANZ will provide SIM cards to allow the terminal to connect to ANZ via the designated mobile network.
- (b) The Merchant must arrange at the Merchant's cost for the preparation of the location of the Electronic Terminal in accordance with ANZ's requirements, including those requirements applicable to site security standards and suitable power supply described in the Merchant Operating Guides or as otherwise notified by ANZ in writing. The Electronic Terminal site must enable the Cardholder to use the Electronic Terminal instruction keypad without the Cardholder's use of the keypad being observed by security cameras, observation mirrors, and reflective surfaces or by any other person.
- (c) The Merchant must notify ANZ immediately if any Electronic Terminal (or part of an Electronic Terminal) is not operating or is malfunctioning.
- (d) The Merchant must use reasonable care and diligence to prevent and detect unauthorised use of any Electronic Terminal.

- (e) The Merchant must allow any properly authorised and suitably identified ANZ employee, agent or contractor free access to Electronic Terminals during normal business hours for the purposes of inspection or testing of Electronic Terminals and, in the event ANZ has supplied the Electronic Terminal, for the purposes of installation, maintenance and removal of the Electronic Terminal.
- (f) The Merchant must not, without ANZ's prior written consent (such consent not to be unreasonably withheld):
 - (i) remove or relocate an Electronic Terminal; or
 - (ii) make any alteration or addition to an Electronic Terminal.

In the event that ANZ provides such written consent, all costs applicable to the removal, relocation or change to the Electronic Terminal are payable by the Merchant.

- (g) If ANZ determines that the continued use of the Electronic Terminal by the Merchant may cause loss to the Merchant or ANZ (through fraudulent activities or otherwise), ANZ may require the Merchant to replace that Electronic Terminal with another Electronic Terminal nominated by ANZ.

5.2 Electronic Terminals - Use

- (a) The Merchant must:
 - (i) use the Electronic Terminal for the purposes of the Merchant Agreement; and
 - (ii) use the Electronic Terminal in accordance with the Merchant Agreement and any applicable manufacturer's manual, warranty or conditions of use; and
- (b) The Merchant agrees that the Electronic Terminal remains the property of ANZ and undertakes to protect, and not prejudice, ANZ's proprietary right to the Electronic Terminal.
- (c) The Merchant must notify ANZ in the event that the Merchant is aware or should reasonably be aware that the Electronic Terminal is being used fraudulently or otherwise improperly.
- (d) The Merchant is responsible for any loss, theft or damage to the Electronic Terminal at the Merchant's Premises. In the event of damage, the Merchant must pay ANZ the actual cost of repairing the Electronic Terminal. In the event of loss or theft, the Merchant must pay ANZ:
 - (i) the cost of recovering the Electronic Terminal, to be determined in ANZ's absolute discretion: or

- (ii) where:
 - the Electronic Terminal cannot be recovered; or
 - the Electronic Terminal is recovered but is damaged, the actual cost of repairing or replacing the Electronic Terminal.
- (e) The Merchant must take proper care of and maintain regular servicing of the Electronic Terminal as directed by ANZ. The Merchant is responsible for all maintenance costs including payment for any repairs to the Electronic Terminal which are necessary because of the Merchant's neglect or misuse.

5.3 Electronic Terminals and Card Imprinters - Security

- (a) The Merchant must take all steps that are, in the circumstances, reasonable to ensure that each Electronic Terminal and each Card Imprinter is protected against loss, theft, unauthorised access or use, modification or other misuse. The Merchant agrees that such steps include, without limitation, ensuring that, at the start and at the close of business each day, each Electronic Terminal and each Card Imprinter is secure and has not been lost or stolen.
- (b) The Merchant must notify ANZ in writing as soon as the Merchant becomes aware (or should reasonably have become aware) that an Electronic Terminal or Card Imprinter has been stolen, lost or may otherwise have been altered, tampered with or compromised.
- (c) Any breach of this condition 5.3 by the Merchant may result in the Merchant being liable for any loss suffered by ANZ as a result of theft or loss of, or other breach of security in connection with, an Electronic Terminal or Card Imprinter, including, without limitation, any loss arising from any unauthorised or fraudulent use of an Electronic Terminal or Card Imprinter that occurs before the Merchant gives notice to ANZ in accordance with paragraph (b).
- (d) If the Merchant:
 - (i) cease trading;
 - (ii) no longer requires the Merchant Facilities; or
 - (iii) the Merchant Agreement is terminated, the Merchant must, within 7 days of either paragraphs (i) or (ii) above occurring, terminate the Merchant Agreement in accordance with condition 12.2, and within 7 days of paragraphs (i), (ii), or (iii) occurring, return all stationery, promotional material, Transaction Vouchers, Card Imprinters or equipment (including Electronic Terminals) supplied in connection with the Merchant Agreement to a location designated by ANZ.

6. ANZ OBLIGATIONS

6.1 Merchant Operating Guides

ANZ will provide the Merchant with all applicable Merchant Operating Guides at ANZ's cost. The Merchant Operating Guides includes policies, procedures and other information the Merchant requires for the day-to-day operation of the Merchant Facilities, including, without limitation, requirements set down under Nominated Card Scheme rules.

6.2 Training

ANZ shall, at the Merchant's cost, provide the necessary training to the Merchant's employees, contractors or agents who are to operate Electronic Terminals or otherwise process Transactions so that those employees, contractors and agents are familiar with the Merchant's obligations under the Merchant Agreement and Transactions are processed in accordance with the Merchant Agreement.

6.3 Supply of Card Imprinters and Stationery

ANZ will supply the Merchant with, and may charge the Merchant for the supply of, Card Imprinters, Transaction Vouchers and other stationery requirements in accordance with the Letter of Offer or as otherwise agreed by ANZ from time to time in writing.

6.4 Promotional Material

- (a) ANZ will supply the Merchant with Nominated Card signs, decals and other promotional material as agreed in the Letter of Offer or otherwise in writing from time to time.
- (b) The Merchant must prominently display in the Merchant's Premises each Nominated Card decal and other promotional material supplied by ANZ or ANZ's authorised representative.
- (c) The Merchant must not use any promotional material in relation to ANZ or any Nominated Card Scheme except as authorised by ANZ. The Merchant cannot use the name, logo, any trademarks, brand names, business names or copyright belonging to ANZ or any Nominated Card Scheme without the prior written approval of ANZ.
- (d) The Merchant authorises ANZ to publish the name, address, telephone number, facsimile number and email address of the Merchant, and to use any logo applicable to the Merchant in any correspondence, circular or publication of ANZ.
- (e) The Merchant must only advertise goods and services which can be purchased with a Nominated Card in the currency of the country of domicile of the Merchant or any other currency authorised in writing by ANZ.

- (f) The Merchant acknowledges that any unauthorised reproduction by the Merchant of any proprietary information provided or available via the Merchant Facilities may result in legal action being taken by ANZ.

7. INFORMATION COLLECTION, STORAGE, DISCLOSURE AND AUDIT

7.1 General

- (a) The Merchant must not sell, purchase, provide or exchange any information or document relating to a Cardholder, a card number or a Transaction to any person other than ANZ, the Nominated Card issuer or as required by Law. The Merchant may disclose such information or document to the Merchant's employees, contractors or agents in the course of conducting the Merchant's business.
- (b) The Merchant must ensure that information relating to any Cardholder accessed by the Merchant in connection with a Transaction is maintained in a secure environment with restricted access.
- (c) The Merchant must not take an imprint of, or record any information relating to, a Nominated Card or Cardholder, unless the imprint or information is required to process a Transaction being made at that time.
- (d) If permitted to record any information under paragraph (c) in respect of the Nominated Card, the Merchant may only record account number, expiration date and name of the Cardholder.
- (e) Except with ANZ's prior written consent, the Merchant must not request or retain a Cardholder's personal identification number, password or other code or information that can be used to access a Cardholder's account. Consent will only be given by ANZ in exceptional circumstances and conditions may apply. This condition is a material obligation of the Merchant under the Merchant Agreement.
- (f) The Merchant must not record, store, replicate or otherwise use full card-read data, and not record, store, replicate or otherwise use the full contents of any track from the magnetic stripe located on the back of a Nominated Ca contained in a chip or elsewhere, for any purpose other than as set out in the Merchant Agreement..

7.2 Privacy and confidentiality

- (a) This condition sets out when and how ANZ may collect and share the Merchant's information.
- (b) If the Merchant is a corporation, the Merchant agrees to obtain the consent of the Merchant's directors and shareholders for ANZ to use and disclose their personal information as provided in this condition.

- (c) ANZ may collect the Merchant's information:
- (i) To provide information about a product or service;
 - (ii) to consider the Merchant's request for a product or service;
 - (iii) to provide the Merchant with a product or service;
 - (iv) to tell the Merchant about other products or services;
 - (v) to assist in arrangements with other organizations (such as loyalty partners, third party processors) in relation to the promotion and provision of a product or service;
 - (vi) to perform administrative and operational tasks (including, for ANZ Group, risk management, debt collection, systems development and testing, credit scoring, staff training, and market or customer satisfaction research);
 - (vii) to prevent or investigate any fraud or crime (or a suspected fraud or crime);
- And
- (viii) as required by relevant Laws of or outside the country of domicile of the Merchant and external payment systems.
- (d) If the Merchant does not provide some or all of the information requested, ANZ may be unable to provide the Merchant with a product or service (including the Merchant Facilities).
- (e) The Merchant agrees that ANZ may provide its information to:
- (i) another member of ANZ Group;
 - (ii) any outsourced service provider to ANZ Group (for example mailing houses, debt collection agencies or third party processors);
 - (iii) an alliance partner for the purpose of promoting or using its products or services (and any of its outsourced service providers);
 - (iv) credit reporting agencies;
 - (v) regulatory bodies, government agencies, law enforcement bodies and courts of or outside the country of domicile of the Merchant;
 - (vi) other parties ANZ Group is authorised or required by Law to disclose information to;
 - (vii) participants in the payments system (including Nominated Card Schemes, payment organizations and merchants) and other financial institutions (such as Nominated Card issuers);
 - (viii) insurers and re-insurers;

- (ix) any person who introduces the Merchant to ANZ;
 - (x) the Merchant's referee(s) or its representative (for example the Merchant's lawyer, administrator, attorney or executor); and
 - (xi) any actual or proposed assignee of ANZ or any ANZ Group Member, or participant or sub-participant in or transferee of any of its rights and/or obligations [under a duty of confidentiality to ANZ or any ANZ Group Member].
- (f) Where the Merchant does not want ANZ Group or ANZ's alliance partners to tell the Merchant about their products or services, the Merchant may withdraw its consent by calling the Merchant's ANZ Electronic Banking Services representative.
 - (g) The Merchant further agrees that any ANZ Group member may, to the extent permitted by Law, transfer any of the above information to any party to whom it is authorized to disclose the same referred to above notwithstanding that such party's principal place of business is outside the country of domicile of the Merchant or that such information will be collect, held, processed or used by such party in whole or in part outside the country of domicile of the Merchant.
 - (h) To the extent permitted by Law, the Merchant may access any personal information at any time by calling the Merchant's ANZ Electronic Banking Services representative. ANZ may charge the Merchant a reasonable fee for access.
 - (i) If the Merchant can show that information about it is not accurate, complete and up to date, ANZ must take reasonable steps to ensure it is accurate, complete and up to date.
 - (j) ANZ will not collect sensitive information about the Merchant, such as health information, without the Merchant's consent.
 - (k) If the Merchant gives ANZ information about someone else, the Merchant must show that person a copy of this condition 7.2 so that they may understand the manner in which their information may be used or shared by ANZ Group.

7.3 Audit

In the event of any dispute involving a Transaction, or if ANZ suspects that fraud is involved in any Transaction, the Merchant authorizes ANZ, or its agent, to enter the Merchant's Premises during the Merchant's normal business hours to examine and take copies of the Merchant's books of account and records.

8. FEES, CHARGES, PAYMENTS AND COMMISSIONS

8.1 Payment of Fees and Charges

- (a) The Merchant must pay to ANZ the fees and charges at the times and in the manner set out in the Letter of Offer, as varied under paragraph (f) below from time to time.
- (b) The Merchant authorises ANZ to debit the Merchant Account, without notice for:
 - (i) all fees, charges and costs owing to ANZ by the Merchant pursuant paragraph (a);
 - (ii) all other credits paid by ANZ in respect of Transactions due to errors and omissions;
 - (iii) all credits paid by ANZ in respect of Transactions which are Invalid Transactions;
 - (iv) the full amount of any Refund Transaction less any amounts in respect of such Transaction already debited to the Merchant Account;
 - (v) all Taxes incurred or payable by ANZ in connection with the Merchant Agreement, the Merchant Facilities, any transaction contemplated by the Merchant Agreement, the Merchant Account or any Electronic Terminal;
 - (vi) all fines, penalties and other charges incurred by ANZ as a result of any act or omission of the Merchant; and
 - (vii) all other amounts owing to ANZ by the Merchant pursuant to the Merchant Agreement.
- (c) If ANZ debits the Merchant Account for reasons other than specified above in paragraph (b), ANZ will provide the Merchant with written notice that this has occurred.
- (d) The Merchant must pay, on demand by ANZ, any amount referred to in paragraph (b) which remains unpaid by the Merchant because there are insufficient funds in the Merchant Account to satisfy the payment of that amount in full.
- (e) ANZ may continue to charge the Merchant the Terminal Rental Fee for an Electronic Terminal until the Merchant has returned that Electronic Terminal to ANZ or ANZ has otherwise recovered the Electronic Terminal, irrespective of whether the Merchant Agreement has been terminated or another Electronic Terminal has been provided to the Merchant by ANZ.
- (f) ANZ reserves the right to vary the fees and charges in accordance with condition 13.1.

- (g) The Merchant is not permitted to charge Cardholders fees, charges or commissions (including sub-charges) without prior written agreement or approval from ANZ.

8.2 Commission

Subject to the terms of the Letter of Offer, when the Merchant processes Transactions using the ANZ Merchant Facilities, the Merchant may earn commission. Any such commissions will be paid to the Merchant at the end of the Business Day on which the relevant Transaction was made. The Merchant authorises ANZ to credit the Merchant Account with any commissions due.

9. LIABILITY, INDEMNITY AND SET-OFF

9.1 Indemnity

The Merchant indemnifies ANZ against all claims, damages, actions, losses and liabilities (including, without limitation, all fines, penalties and other charges incurred by ANZ as a result of any act or omission of the Merchant), whether made by the Merchant, Cardholder or other third party, which ANZ or any of its employees, contractors or agents suffers or incurs arising directly or indirectly from:

- (a) the negligence or fraud of the Merchant or an employee, contractor or agent of the Merchant;
- (b) the failure of the Merchant, or an employee, contractor or agent of the Merchant, to observe any of the Merchant's obligations under the Merchant Agreement;
- (c) any dispute arising between the Merchant and the Cardholder in respect of the supply, use, quality or fitness for purpose of goods or services or the provision of cash;
- (d) any use of an Electronic Terminal or Card Imprinter by the Merchant or its employees, contractors or agents;
- (e) any representation, warranty or statement made by the Merchant or its employees, contractors or agents to the Cardholder; or
- (f) any misrepresentation, breach of contract or failure of consideration relating to any contract for the supply of goods or services by the Merchant to a Cardholder, except that the Merchant is not obliged to indemnify ANZ or its employees, contractors or agents against any claims, damages, actions, losses or liabilities which are solely the result of the fraud, willful default or gross negligence of ANZ or its employees, contractors or agents.

9.2 ANZ Liability

- (a) To the extent permitted by Law, ANZ will not be responsible for any loss or damage (including consequential loss or damage) suffered by the Merchant or any third party including, but not limited to, loss or damage arising from:
 - (i) an Electronic Terminal or any telephone line or other communications device or service malfunctioning or not operating;
 - (ii) software failure;
 - (iii) any error in instructions given to the Merchant by the Send Money Recipient;
 - (iv) insufficient Available Funds in the Merchant's Account for a Transaction to proceed or be completed;
 - (v) the Merchant having insufficient cash funds for a Transaction to proceed or be completed;
 - (vi) ANZ delaying, blocking or refusing to process a Transaction for any reason;
 - (vii) the inability of the Merchant's Electronic Terminal to access or use the Merchant Facilities;
 - (viii) a Force Majeure event, including during Scheduled Downtime;
 - (ix) any loss or damage or claim from a Cardholder or any other third party as a result of the Merchant completing an Invalid Transaction; or
 - (x) an act of fraud or negligence on the Merchant's part (either alone or together with another person), including an employee, contractor or agent of the Merchant.
- (b) ANZ is liable for direct loss that:
 - (i) is attributable to the negligence or willful default of ANZ;
 - (ii) is caused by fraudulent or negligent conduct by employees or contractors of ANZ;
 - (iv) results from the same Transaction being incorrectly debited more than once, by ANZ, to the same account(s), provided such loss was not caused or contributed to as a result of fraud, negligence or an unlawful act by the Merchant.

- (c) To remove any doubt and without limiting the generality of this provision, ANZ services and Merchant Facilities are dependent on messaging, communications, processing and other systems. ANZ will endeavour to ensure continuous access to the ANZ Merchant Facilities, however, ANZ is not responsible for any loss the Merchant suffers as a result of the Merchant being unable to use the Merchant Facilities, or as a result of delays or errors in processing the Merchant's instructions.
- (d) In the event an Electronic Terminal supplied by ANZ is malfunctioning or not operating, ANZ's liability is only to repair or replace the Electronic Terminal.
- (e) ANZ is not liable for any loss, liability or damage which a Merchant may suffer or incur resulting from ANZ's failure to credit the Merchant Account when required due to technical or administrative difficulties or any other reason whatsoever.

9.3 Third Party Bureau Services

Third Party ANZ is not responsible for the acts or omissions of any third party which provides services, including without limitation, processing services, to the Merchant in connection with the Merchant Facilities. For the avoidance of doubt, ANZ is not liable for any losses, claims, damages, costs, terms or expenses suffered by the Merchant (including consequential loss) arising from or in connection with any act or failure to act by such third party in connection with a Transaction.

9.4 Set-off

- (a) ANZ may at any time without notice to the Merchant set-off any Liability owed by ANZ to the Merchant on any account against any Liability owed by the Merchant to ANZ under or in connection with this Merchant Agreement. For the purpose of this condition, "Liability" means any debt or monetary liability, irrespective of whether the debt or monetary liability is future or present, actual or contingent.
- (b) If ANZ exercises its right of set-off under paragraph (a) in respect of a contingent debt or monetary Liability owed by the Merchant and the actual Liability proves to be less than the amount set-off, ANZ must pay the Merchant the amount of the difference.
- (c) Where the Merchant is a partnership, unincorporated joint venture or sole trader and the Merchant Account is in the name of one or more, but not all partners or joint venturers, or is a joint account in the names of the sole trader and one or more other persons, the Merchant must procure that an "Irrevocable Authority to Debit" in a form approved by ANZ is completed and signed.

10. APPOINTMENT OF AGENT, SUBCONTRACTOR OR OTHER PARTY

- (a) The Merchant must not appoint any agent or subcontractor or a person in any other capacity (Appointee) to carry out the performance of any of the Merchant's obligations under the Merchant Agreement without the specific written agreement of ANZ.
- (b) In the event that ANZ agrees to the appointment of an Appointee, the Merchant will be responsible for any act or omission of that Appointee as if the Merchant had performed such act or omission.

11. REPRESENTATIONS AND WARRANTIES

- (a) When the Merchant supplies Transaction details to ANZ, whether the Transaction is processed electronically or manually, the Merchant represents and warrants to ANZ that:
 - (i) all Transaction details are true and correct;
 - (ii) the Merchant has complied with the requirements of the Merchant Agreement applicable to processing of Transactions;
 - (iii) the Merchant is not aware of any fact which would cause the Transaction to be an Invalid Transaction; and
 - (iv) the Merchant has complied with all applicable Laws in carrying out its obligations in connection with the Transaction under the Merchant Agreement.
- (b) The Merchant represents and warrants to ANZ that the Merchant has the power to enter into and perform its obligations under the Merchant Agreement and that the Merchant Agreement is valid, binding and enforceable against the Merchant.
- (c) The Merchant represents and warrants to ANZ that the information the Merchant has provided ANZ in the Application is true and correct and not misleading in any material respect.
- (d) The Merchant acknowledges that the issue of a Nominated Card to a Cardholder is not a representation or warranty by ANZ or the Nominated Card issuer as to the Cardholder's credit worthiness or identity.

12. SUSPENSION AND TERMINATION

12.1 Suspension of Merchant Facility or Freezing of Merchant Account

- (a) ANZ reserves the right to suspend the Merchant Facilities or freeze the Merchant Account and refuse to allow withdrawals of funds from the Merchant Account, or both suspend the Merchant Facilities and freeze the Merchant Account, immediately upon notice to the Merchant if any of the events listed in condition 12.2(b) occur. When exercising this right ANZ is not required to notify the Merchant of the date upon which the suspension or freezing of the Merchant Account, or both, as the case may be, will end.
- (b) When ANZ suspends the Merchant Facilities or freezes the Merchant Account, or both, as the case may be:
 - (i) the Merchant must not accept any Nominated Cards as payment for goods or services; and
 - (ii) ANZ is not obliged to accept any Transactions processed by the Merchant after notification of suspension.
- (c) ANZ may during the period of suspension or freezing of the Merchant Account, or both, as the case may be, terminate the Merchant Facilities pursuant to condition 12.2.

12.2 Termination

- (a) Either the Merchant or ANZ may at any time terminate the Agreement by giving the other notice in writing. The notice does not need to include any reason and will take effect thirty (30) days after the date on which it is given.
- (b) ANZ may terminate the Merchant Agreement immediately by notice to the Merchant should any of the following occur:
 - (i) an Insolvency Event occurs in relation to the Merchant;
 - (ii) the Merchant breaches any of its material obligations under the Merchant Agreement;
 - (iii) the Merchant does not process any Transactions with ANZ for a continuous period of six (6) months;
 - (iv) if, in ANZ's reasonable opinion, the Merchant is involved in an unacceptably high number of chargebacks, Refund requests or retrieval requests, without justification acceptable to ANZ;
 - (v) it becomes illegal or impossible in practice for ANZ to continue to provide the Merchant Facilities to the Merchant;

- (vi) the Merchant Agreement becomes wholly or partly void, voidable or unenforceable or a claim is made to that effect;
 - (vii) The Merchant processes a Transaction that the Merchant knew, or ought to have known, was fraudulent or illegal;
 - (viii) ANZ reasonable determines that the continued provision of the Merchant Facilities to the Merchant may damage the reputation of ANZ or otherwise reasonably considers that ANZ or the Merchant may suffer loss if it continues to provide the Merchant Facilities to the Merchant;
 - (ix) any of the information provided by the Merchant in the Application or otherwise is or becomes incorrect, or false or misleading in a material respect;
 - (x) the Merchant's details and other information disclosed in the Application materially changes, including, but not limited to, a change to the nature and type of business conducted by the Merchant;
 - (xi) the Cardholder has not received the goods or services as required by the terms of the Transaction (and, in the case where the Merchant is not the provider of the goods or services and acts as agent for the provider of the goods or services, the goods or services have not been provided by the principal) and the Merchant has failed to provide ANZ with proof of receipt of, and satisfaction with, the goods or services by the Cardholder within five (5) Business Days of ANZ's request to do so;
 - (xii) upon the request of the Nominated Card Scheme(s); or
 - (xiii) ANZ is required to do so by Law.
- (c) Termination of the Merchant Agreement or any part of it does not affect any rights or obligations of the Merchant or ANZ that arose prior to termination. In particular, any obligation the Merchant has under the Merchant Agreement to indemnify ANZ or to pay ANZ any amounts (including costs), is a continuing and independent obligation and survives even if the Merchant Agreement is terminated. All Transactions made prior to termination are subject to the terms of the Merchant Agreement.
- (d) In the event that ANZ receives a Transaction Voucher after termination of the Merchant Agreement, ANZ reserves the right, at its option, to return the Transaction Voucher to the Merchant or to retain the Transaction Voucher. If ANZ decides to retain the Transaction Voucher, the Merchant is not entitled to any payment for the Transaction in respect of the Transaction Voucher until such time as ANZ has received payment and no chargeback claim can be made by the issuer of the Nominated Card in connection with the Transaction Voucher.

- (e) Upon termination of the Merchant Agreement, the Merchant must immediately return to ANZ all stationery, promotional material, Transaction Vouchers, Card Imprinters or equipment (including Electronic Terminals) supplied in connection with the Merchant Agreement.
- (f) If the Merchant Agreement is terminated for any reason within the time period set out in the Letter of Offer or any other agreement between ANZ and the Merchant, ANZ reserves the right to charge the Merchant a termination fee, in accordance with the Letter of Offer or other agreement, as the case may be.
- (g) The Merchant authorises ANZ to:
 - (i) disclose to any person the fact that all or part of the Merchant Agreement has been terminated;
 - (ii) disclose information concerning the termination and reasons for termination of all or part of the Merchant Agreement to any credit provider or Nominated Card Scheme; and
 - (iii) give a banker's opinion to other financial institutions with whom the Merchant may make application for other merchant facilities.

The Merchant acknowledges that the disclosure of this information may affect the Merchant's ability to successfully apply for merchant facilities in the future.
- (h) The obligations contained in Conditions 4.4, 4.5(b) and 4.5(c), 4.5(e) to 4.5(h), 4.6, 7.1, 7.2, 8, 5, 9.1, 9 and 12 survive termination of the Merchant Agreement.
- (i) ANZ has the right of inquiry and recourse for any UnionPay transactions that occurred before the termination of the Merchant Agreement provided that it is within twenty-four (24) months after the termination of the Merchant Agreement.

13. MISCELLANEOUS

13.1 Variation to the Agreement, including Fees and Charges

- (a) ANZ may vary all or any of the provisions of the Merchant Agreement, including fees, charges and minimum volumes of Transactions, at any time by giving the Merchant notice in writing. Such variation will apply immediately when notice is deemed to be received by the Merchant in accordance with condition 13.2(b).
- (b) The Merchant acknowledges that where ANZ agrees to an increase in the Merchant's Refund limit, Authorised Floor Limit or tipping limit in respect of the Merchant Facilities, additional or increased incidence of liabilities or losses may arise as a result, including from erroneous or fraudulent Transactions.

13.2 Notice

- (a) The Merchant acknowledges that ANZ may deliver notices to it in any of the ways listed in paragraph (b) below and consents to notices being delivered in any of these ways.
- (b) A notice must be in writing and is taken to be received:
 - (i) if delivered personally, at the time of delivery;
 - (ii) if sent by pre-paid post, on the seventh day after the posting;
 - (iii) if sent by facsimile transmission, on the date the transmitting machine records transmission of the complete document;
 - (iv) when the party sending the notice is ANZ, if sent by email, at the time when the email enters the Merchant's information system; or
 - (v) when the party sending the notice is ANZ, if delivered via the ANZ website to the "Merchant Services" part of that website, on the third day after the posting of the notice to that website.
- (c) The address, facsimile number or email address to be used for notices is the last address, facsimile number or email address advised by a party. The Merchant must inform ANZ immediately of any change of the Merchant's address, facsimile number or email address.

13.3 Relationship of the Parties

Nothing in the Merchant Agreement creates a relationship of joint venture, partnership or principal and agent between ANZ and the Merchant. The Merchant must not act as if, or represent or attempt to represent to any person that, any such relationship exists.

13.4 Assignment

This Merchant Agreement is binding upon the parties, their executors, administrators, successors and permitted assigns. The Merchant must not transfer any of the Merchant's rights or obligations under the Merchant Agreement unless ANZ consents in writing. ANZ may transfer any of its rights or obligations under the Merchant Agreement to a third party without the Merchant's consent. To remove any doubt ANZ may at any time arrange with a third party to provide any of the services ANZ is obliged to provide to the Merchant pursuant to the Merchant Agreement.

13.5 Severability

If in any jurisdiction, a provision of the Merchant Agreement is illegal or unenforceable, the Merchant Agreement is to be interpreted for the purposes of that jurisdiction only, as if it had never included the provision so far as the provision is illegal or unenforceable.

13.6 Waiver

The rights ANZ has under the Merchant Agreement cannot be waived except by ANZ giving the Merchant written notice waiving the particular rights. In particular, ANZ does not waive any right that ANZ has in connection with the Merchant Agreement merely because ANZ does not exercise it or does not exercise it as soon as ANZ can.

13.7 Merchant's Continuous Obligations

- (a) The Merchant must notify ANZ:
 - (i) in the event that circumstances arise which may have a material adverse effect on the Merchant's business, assets or financial condition or the Merchant's ability to perform the Merchant's obligations under the Merchant Agreement. It is advisable that the Merchant informs ANZ promptly when it is in financial difficulty;
 - (ii) if the Merchant sells, leases or transfers its business or any of the Premises;
 - (iii) if a Merchant changes the address where it carries on business or otherwise changes its contact details (including the Merchant's telephone number, facsimile number or email address) or starts carrying on business at any other place; or
 - (iv) if the Merchant changes the nature or type of its business.
- (b) The Merchant must provide copies of its latest financial statements and other financial information reasonably requested by ANZ within thirty (30) days of a request by ANZ.

13.8 Security

At any time, ANZ may request that the Merchant provide ANZ with a Security of a type, and to secure an amount, specified by ANZ.

13.9 Money Laundering Prevention and Other Offences

- (a) By entering into this Merchant Agreement, the Merchant agrees that ANZ may delay, block or refuse to process any Transaction without incurring any liability to the Merchant or its customer if ANZ suspects that:
 - (i) the Transaction may breach any Law of the country where the Merchant is domiciled or any other country;
 - (ii) the Transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, unlawful conduct.
- (b) The Merchant must provide all information to ANZ which ANZ reasonably requires in order to manage money-laundering, terrorism-financing risk and economic and trade sanctions risk or to comply with any Law of the country where the Merchant is domiciled or any other country, or to comply with other prohibitions that may be applicable to ANZ with respect to any Transaction and the Merchant agrees that ANZ may disclose any information concerning the Merchant or the Transaction to:
 - (i) any law enforcement, regulatory agency or court where required by any such Law of the country where the Merchant is domiciled or elsewhere; and
 - (ii) any correspondent or third party ANZ uses to make the payment for the purposes of compliance with any such Law.
- (c) Unless the Merchant has disclosed that the Merchant is acting in a trustee capacity or on behalf of another person, the Merchant is acting in a trustee capacity or on behalf of another person, the Merchant warrants that the Merchant is acting in its own capacity in agreeing to this condition 13.9.
- (d) The Merchant declares, agrees and undertakes to ANZ that the payment of monies by ANZ in accordance with instructions submitted to ANZ for processing will not breach any Law of the country where the Merchant is domiciled or any other jurisdiction.

13.10 Governing Law

The Merchant Agreement is governed by the Law in force in the country where ANZ's office is shown in the Letter of Offer is located. ANZ and the Merchant agree to submit to the non-exclusive jurisdiction of the courts having jurisdiction under that Law in relation to any proceedings about or in connection with the Merchant Agreement.

13.11 Dispute Resolution Procedures

Where the Merchant has a complaint in relation to the provision of the Merchant Facilities, it should speak with ANZ Merchant Services in the first instance. If the complaint cannot be resolved promptly, a supervisor within ANZ Merchant Services will take responsibility for resolution of the complaint. ANZ's aim is to resolve any complaint within ten Business Days. If this is not possible, ANZ will keep the Merchant informed

on the progress of the matter and how long ANZ expects it will take to resolve the complaint.

13.12 APS222 Disclosure

The Merchant acknowledges that where ANZ is a subsidiary of Australia and New Zealand Banking Group Limited, it is a separate entity to Australia and New Zealand Banking Group Limited and the obligations of that subsidiary under this Agreement do not constitute deposits or other liabilities of Australia and New Zealand Banking Group Limited, nor does Australia and New Zealand Banking Group Limited guarantee the obligations of that subsidiary.

13.13 Foreign Exchange Laws

This Merchant Agreement is subject to Foreign Exchange Laws.

13.14 Fraud Minimisation Guide

Fraud can occur in and is a risk for any business that accepts credit cards and it can have a significant financial impact on your business. At ANZ, we assist all our customers to minimise the likelihood of fraud occurring in their business through on-going education. The more you know about the potential risks the more you will be able to protect your business.

If a credit card transaction turns out to be fraudulent, it may be charged back to you and could end up costing you more than the original sale. High fraud and chargeback levels can also attract penalties from the Card Schemes (UnionPay, JCB, Amex, Visa and MasterCard) and can result in the termination of your merchant facilities.

Please take the time to read and familiarise yourself with this guide as it provides information to assist you in identifying and minimising fraud and chargebacks occurring in your business.

For further information, please refer to your Merchant Operating Guide and the Merchant Agreement Terms and Conditions or if you wish to speak with someone about your merchant facility or this guide, please contact our Merchant Business Team on +679 331 6644 or refer to section 2 for country phone number in Merchant Operating Guide.

PROTECTING YOUR BUSINESS

It is important to know that some types of credit card transactions carry a higher level of risk than others. The products you sell can also increase your risk as fraudsters often target businesses selling higher value goods with easy resale potential like electrical goods, furniture and jewellery.

Higher Risk transactions may include:

- First time customers
- International orders - particularly South East Asia and Africa
- Card not present transactions, including email, internet, mail and phone orders
- Any transaction where the card is not swiped, inserted or tapped on an EFTPOS terminal
- Transactions which are manually keyed into an EFTPOS terminal
- Manual transactions where no authorisation has been obtained.

Lower Risk transactions may include:

- Transactions where the card is swiped on an EFTPOS terminal
- Manual transactions where a card imprint, signature and authorisation have been obtained
- Internet transactions authenticated by Verified by Visa or MasterCard SecureCode.

First Line of Defense

You and your staff are the first line of defense against fraudulent card transactions and you should always be on the lookout for any unusual behaviour or spending patterns.

For example - if a first time customer to your business is buying a large quantity of your goods and is not concerned about the price, colour, size, etc and their purchase is much larger than a normal purchase and it all seems too good to be true, it probably is. If you come across a situation like this, it is better to ask for an alternative form of payment, i.e. a bank deposit or cash.

WHAT ARE YOUR RESPONSIBILITIES?

Your responsibilities are outlined in your Merchant Agreement Term and Conditions, the Merchant Operating Guide and any applicable Additional Service Schedules. You must follow all the instructions in these booklets.

It is your responsibility to verify that the purchaser of your goods and / or services is the genuine cardholder and to validate all cards presented.

You MUST:

- Accept all valid cards for payment
- Follow correct authorisation procedures
- Ensure the customer authorises all credit card transaction receipts (unless the transaction is by Internet, phone, fax or mail order). Customers authorise credit card transactions by using a Personal Identification Number (PIN) or signing transaction receipts.
- Provide a copy of the authorised transaction receipt to the customer
- Be alert to possible card fraud and report all instances
- Protect account and transaction information at all times
- Notify us of any material change to your business. This includes, but is not limited to a change in business name or if you would like to change the types of goods and services your business sells
- Ensure the physical security of your merchant facility. Never leave your terminal unattended during trading hours or let a customer tell you how to process a transaction
- Always identify technicians attending your premises and never reveal any passwords. Fraudsters may approach your business posing as a terminal, electrical or phone technician wanting to access your terminal. They may then process refund transactions or insert card readers in to your terminal that will enable them to steal cardholder information whenever a card is swiped or inserted.

You MUST NOT:

- Give cash out with a credit card transaction
- Process transactions on behalf of another business through your merchant facility
- Transfer funds from a credit card in your name via the merchant facility to your settlement account.

If you fail to comply with any of the above responsibilities you are in breach of your Merchant Agreement with us and this may result in the termination of your merchant facilities and possible fines from the Card Schemes.

CARD PRESENT TRANSACTIONS

A card present transaction where the card and cardholder are present in person for the transaction is less risky than a card not present transaction, however fraud can still occur. You should always undertake the security checks described below for card present transactions to ensure the purchaser is the genuine cardholder and that the card is not a counterfeit or been tampered with. Failure to recognise a fraudulent card could result in a chargeback and a loss to your business.

Checks for Credit Cards

Most credit cards have the card details embossed on them

- Embossing should be even with all numbers the same size and shape
- Check the card expiry date, is it valid?
- Ensure the cardholder name is present and does not look like it has been tampered with
- Does the name on the card match any other information provided?

Hologram

- UnionPay – Temple of Heaven
- Visa: Flying Dove
- MasterCard: Interlocking Globes
- Check the last three or four digits of the card number are embossed over the hologram.

Check that there is a four digit number printed below the account number

- Even if scratched, this number cannot be removed
- Check it matches the first four digits of the account number.

Account numbers

- These start with a '3, 4, 5, 6 or 9' for Union Pay; a '4' for Visa or a '5' for MasterCard.

Signature panel

- Card Security Code: There should be three additional numbers on the signature panel which must be present
- Check that the card has been signed and that the signature on the card matches the signature of the transaction receipt or any other signature provided.

Magnetic stripe

- Check the card has a magnetic stripe on the reverse.

If the card is suspicious in anyway or you notice a discrepancy, please phone the Credit Card Authorisation Centre on +679 331 6644 or refer to section 2 for country phone number in Merchant Operating Guide, and advise them that you would like a 'code 10 authorisation'. Follow the instructions given by the authorisation officer who will ask you a series of questions requiring 'yes' or 'no' answers.

Checks for Debit Cards

- Embossing should be even with all numbers the same size and shape
- Check the card expiry date, is it valid? Note: Union Pay Debit Cards may have Zero or past date expiry date.
- If there is a name of the card, check that it matches any other information provided?

Authorising Card Present Transactions

Authorisation for electronic debit and credit card transactions is online and automatic via a Personal Identification Number (PIN). A credit card transaction may also be authorised by signing the transaction receipt. If the transaction is authorised through an EFTPOS terminal, an "Approved" message appears on the terminal and a transaction receipt prints with the following details.

- The authorisation number
- The type of card
- The relevant card number
- The type and amount of the transaction
- The date of the transaction
- The time of the transaction
- The terminal transaction record number.

If the card fails any validation checks or the transaction is declined:

- Request another form of payment or retain the goods
- If the 'declined' message tells you to keep the card, then do so if this can be done peacefully. Then phone the Credit Card Authorisation Centre on +679 331 6644 or refer to section 2 for country phone number in Merchant Operating Guide.

Additional Checks for Card Present Transactions

Take note of the customers' behaviour

During a transaction and while performing the card security checks take note of the customer's behaviour. Individuals using credit cards fraudulently often behave unusually or appear overly anxious. The following behaviours can be used as a guide but do not necessarily indicate criminal activity. You should always let common sense be your guide.

Be alert for a customer who:

- Makes indiscriminate purchases without regard to size, colour or price
- Is unnecessarily talkative or delays a selection repeatedly, until you are flustered
- Hurries you at closing time
- Requests you split the transaction over two or more cards
- Purchases an extended warranty without hesitation even though it may be costly
- Makes purchases, leaves the store, and returns to make additional purchases
- Pulls the credit card out of their pocket rather than a wallet
- Does not have a driver's license or another form of identification or says it is in the car
- Needs to see the card in order to sign a transaction receipt
- Chooses an item in store, requests delivery and says they will phone their credit Card details through.

If you are suspicious of a customer and the card they are using:

Call the Credit Card Authorisation Centre on +679 331 6644 or refer to section 2 for country phone number in Merchant Operating Guide. Select the suspicious card option, ask for a 'code 10' authorisation and follow the operator's instructions.

No physical attempt should be made to prevent a cardholder from leaving. It is best to establish where the cardholder went to, and if using a motor vehicle, record the registration number and description of the vehicle. This information together with a full description of the cardholder and associates should be written down as soon as possible so it can be provided to the Police.

CARD NOT PRESENT TRANSACTIONS

Internet, mail and telephone order transactions are commonly referred to as card not present transactions. The cardholder and card are not present in person for these types of transactions.

If you are accepting card not present transactions, there is generally a greater risk of fraud. This is because fraudsters take advantage of the anonymity a card not present transaction provides. They are able to make purchases with or without a physical card, at anytime from anywhere in the world.

Obtain Additional Card Details

When taking an order for a card not present transaction as well as obtaining the standard information – credit card number, expiry date and full name – it is recommended you also obtain the following additional information.

- Cardholder's physical address
- Cardholder's contact phone numbers, including landline contacts
- The name of the card-issuing bank and the country the card was issued in.

Immediately following the order, wait a short period of time, then call the telephone number provided and ask for the caller. Confirm details of the order and record the date and time you spoke with the customer.

Alternatively, if an order is received via the telephone or the Internet, ask the customer to fax written confirmation of the transaction and get them to include the additional information above, including a photocopy of both sides of the card if possible. You may also ask them to sign the fax and then compare the signature on the card with the signature on the fax.

If the card or card details have been stolen, the fraudster is unlikely to be able to provide all of this information and will probably not complete the transaction.

Authorising Card Not Present Transactions

Authorisation must be obtained for all card not present transactions, regardless of the value. An authorisation does not guarantee that the legitimate cardholder is making the purchase and that the card number quoted by the customer has not been stolen. It only confirms that funds are available at the time of the purchase and that the card has not been reported lost or stolen. It does not guarantee payment.

If you are processing transactions using an online payment gateway these are authorised electronically at the time of the transaction. If you are processing mail order or telephone order transactions using the IVR Authorisation Service or a Card Imprinter you must call the Credit Card Authorisation Centre on +679 331 6644 or refer to section 2 for country phone number in Merchant Operating Guide, to obtain an authorisation.

- If approval is given, record the authorisation number as detailed in your Merchant Operating Guide and dispatch the goods
- If the authorisation is declined ask the cardholder for another form of payment or retain the goods.

Delivery of Goods

- If a courier delivers the goods, ensure the courier company returns the delivery acknowledgment so the signature of the recipient can be verified
- Ensure goods are not left at vacant premises or left with a third party
- Obtain a manual imprint of the card and signature on delivery of the goods where possible
- Confirm suspicious orders separately before shipping
- Do not send goods that are not part of your core business.

Suspicious Orders

Being vigilant about unusual spending patterns or behaviour can help you identify early warning signals that something may not be right with an order. While the following situations or scenarios may occur during a valid transaction, combinations of these may be cause for alarm.

Be wary when:

- Recurring or sequential data elements appear. Look for transactions that might be 'testing' your system (e.g. multiple sales to the same address)
- Multiple cards are presented with multiple declines within a short period of time generally via your Internet payment page. These cards may have the same BIN (first six digits) or may appear to be sequential with only the last four digits changing
- You are requested to split transactions over a number of cards
- A customer places a number of orders within a short space of time
- Items that are ordered in unusual quantities and combinations and/or greatly exceed your average order value
- An order is requested to be delivered quickly. Fraudsters will often want their illegally obtained items as soon as possible for quick resale

- An order originates from Internet addresses using free email services, i.e. yahoo, hotmail, g-mail. They do not require a billing relationship or verification that a legitimate cardholder opened the account
- Orders are placed where the purchaser admits it is not their card being used
- Orders are being shipped to international destinations you may not normally deal with, especially third world countries
- Orders are received from locations where the goods or services would be readily available locally
- You receive orders for additional products you do not normally sell
- Orders are cancelled and refunds are requested via telegraphic transfer to an account other than the card used to make the purchase
- Goods or services have been ordered over the phone to be collected in person at a later date. When the cardholder collects the goods, ensure the following:
 - The credit card is presented at the point of collection. Check the name on the credit card is the same as the person name your recorded when the order was placed
 - Check the credit card security features
 - Ask the cardholder to sign an acknowledgement form to confirm they have received the goods
 - The signature is the same as that on the back of the credit card
 - Ask for suitable identification (photo ID preferable)
 - Be suspicious if a third party wants to collect goods on behalf of the cardholder.

International Orders

We suggest that you take extra care when receiving any international orders particularly large orders (much bigger than your average order size) and those originating from countries you do not normally deal with. While all international orders carry an increased fraud risk, transactions originating from the following countries have shown to generate higher levels of credit card fraud:

- Nigeria
- Ghana
- Indonesia

IF SUSPICIOUS - DO NOT FULFIL THE ORDER

If you are suspicious of the purchaser or the transaction and cannot verify that the payment details provided are genuine, ask for an alternative form of payment. If the customer is unable to provide an alternative payment, we recommend that you do not process the order.

Reducing the Risk of Card Not Present Transactions

You can help minimise the possibility of card not present transaction fraud by implementing the following measures:

1. Develop a standard credit card transaction checklist that all staff must use when taking an order
2. Develop and maintain a secure customer database to track buying patterns and identify changes in buying behaviour
3. Advertise that your business will prosecute identified fraudulent activity on your website. This may help to deter fraud
4. Discuss additional security with your service provider or an IT expert to help you redevelop your web/payment page. This could include blocking suspect IP addresses, BIN ranges and using Verified by Visa and MasterCard Secure Code.

If you think that your website has become a target for fraud, we suggest that you shut the site down for a short period of time and conduct an investigation on where the fraud is coming from. Once you have established the threat, block the IP address from which the orders are originating if this is possible.

Card Verification Value (CVV2/CVC2/CVN2) or Card Identification Number (CID) the Card Verification Value is the three-digit number located on the signature panel of the credit card. For AMEX cards the Card Identification Number (CID) is the four-digit number on the front of the card.

If the purchaser cannot provide this number it is likely that they are not in possession of the card and they may be using card details that they have fraudulently obtained. It is important to note that validation of the CVV2 or CID is not a guarantee of payment or that the card is not a stolen card, it simply confirms that the purchaser has the card in their possession.

To prevent the Card Verification Value or CID data from being compromised or stolen never keep or store this data.

Verified by Visa and MasterCard SecureCode

Verified by Visa and MasterCard SecureCode are online, real time security tools that can protect your business against certain chargeback types by validating the cardholder is the legitimate owner and user of the card during an online transaction.

A cardholder registers with their bank and creates a unique password (similar to that of a PIN on a card). When a cardholder makes a purchase on your website (if you are a participating business), the card number is recognized as being registered in the program and a Verified by Visa and MasterCard SecureCode window will appear. The

cardholder will then be prompted to enter their password which is then forwarded to their card issuer to verify the cardholder's identity and card number.

Following confirmation, the window disappears and the cardholder is returned to the checkout screen. If the cardholder is not confirmed, the transaction will be declined.

REFUND FRAUD

Refund fraud is a common type of fraud which involves issuing credits (refunds) via your EFTPOS terminal. It is often committed by employees processing refunds to their own debit and/or credit card. To avoid detection they may create a large sale on a fraudulent card then process a refund to their own card. Refunds may also be processed to their own cards without a corresponding sale.

To guard against this type of fraud, we recommend you:

- Closely monitor all refunds, checking they all correspond to a legitimate sale and are refunded back to the card used in the original purchase
- Pay particular attention to large refund amounts or an increase in the number of refunds
- Limit the number of employees with access to your merchant number
- Restrict access to your refund card
- Watch for high volumes of 'key entered' transactions – key entered transactions are where the card number is entered into a terminal by hand instead of swiping or inserting the card
- Be alert to changes in staff behaviour or sudden evidence of an increase in their wealth
- Be wary of staff taking cash sales and balancing by processing fraudulent card transactions.

CHARGEBACKS

Chargebacks can have a financial impact on your business. A chargeback is the term used for debiting your bank account with the amount of a transaction that had previously been credited.

A chargeback occurs when a cardholder (or their bank) raises a dispute in connection with a credit card transaction. If the dispute is resolved in the favour of the cardholder, the transaction is 'charged back' to you and the value is debited from your settlement account. You may lose the value of the sale as well as incurring a chargeback fee. You are financially liable for all chargebacks that occur against your business.

There are a number of reasons why a transaction may be charged back. Some of the most common reasons are listed below. They can be broadly put into two categories, either where the cardholder is disputing the transaction, for example the card or cardholder was not present at the point of sale or they do not recognise the transaction on their statement and secondly, where you may have made an error processing the transaction.

Common Chargeback Reasons

- Processing errors
- Unauthorised use of a card
- No signature on the receipt
- Unauthorised transactions
- Invalid card account number
- Transaction exceeds floor limit
- Card details not imprinted on the sales voucher
- Incorrect transaction amount
- Expired card
- Illegible details on the sales voucher
- Failing to respond to a retrieval request
- Merchandise not received by purchaser or wrong goods sent.

A cardholder or their bank can generally raise Chargebacks within 540 days of the expected delivery date and up to 120 days from the transaction date or from the date the goods or services should have been provided. For this reason, you are required under your Merchant Agreement to retain all cardholder signed transaction receipts and validating documents (cardholder identification and billing) for a minimum of 18 months

If a transaction is disputed, the bank that holds the account of the cardholder in question will notify us and we will notify you of the dispute. If our transaction records cannot show sufficient proof of the transaction, you will be notified in writing and asked to respond in writing within seven days with sufficient information to validate the transaction.

If you fail to respond within seven days, cannot provide sufficient proof of the transaction, or we find proof that you have breached your Merchant Agreement the chargeback may be upheld and your account will be debited.

If you are subject to an excessive number of chargebacks, we reserve the right to charge for the processing of these disputes and your merchant facility could be terminated.

Avoiding Chargebacks

- Make every effort to abide by the guidelines and rules set out in this document and in the Merchant Operating Guide
- In card not present transactions, if a fraudster is intent on defrauding you, it is very difficult to protect yourself. It is up to you to decide the amount of checking and what processes you have in place to lessen the chance of fraud. Usually, any fraud will manifest itself in the form of a chargeback well after you have sent the goods.

PROTECTING ACCOUNT AND TRANSACTION INFORMATION

If you accept credit card payments from your customers, or use a third party service provider to do this (i.e. an Internet Payment Gateway provider) you are responsible for ensuring that your customer's payment details are kept secure at all times.

The Payment Card Industry Data Security Standard (PCI DSS) defines industry best practices for handling and protecting credit card details. All businesses that process, store or transmit credit card data must be compliant with the standard. It details what information needs to be protected and/or made secure and provides you with a framework to control the risks and keep credit card information in your possession safe and secure.

Benefits of your business

- Ensuring the security of cardholder data can lessen the likelihood of a data breach Resulting from your business
- Helps to identify potential vulnerabilities in your business and may reduce the significant penalties and costs that result from a data breach should one occur.

Failure to take appropriate steps to protect your customer's payment card details means you risk both financial penalties and cancellation of your merchant facility in the event of a data compromise.

Our website contains comprehensive information on the Payment Card Industry Data Security Standard.

SECURING YOUR EFTPOS TERMINAL

All EFTPOS terminals are equipped with a number of in-built security features which are designed to help protect your customers' information. By implementing the recommendations below, you can help protect your business, your customers and your reputation from Credit Card fraud or misuse through your EFTPOS terminal.

Always ensure that your EFTPOS terminals are secure and under supervision during operating hours (including any spare or replacement EFTPOS terminals you have).

- Ensure that only authorised employees have access to your EFTPOS terminals and they are fully trained on their use
- When closing your store always ensure that your EFTPOS terminals are securely locked and not exposed to unauthorised access
- Never allow your EFTPOS terminal to be maintained, swapped or removed without advance notice from your terminal provider. Be aware of unannounced service visits and only allow authorised personnel to maintain, swap or remove your EFTPOS terminal, and always ensure that security identification is provided
- Inspect your EFTPOS terminals on a regular basis – ensure that there are no additional cables running from your terminals and that the casing has not been tampered with
- Check your EFTPOS terminal is located where it should be each time you open your store or premises and is printing the correct details on receipts
- Record your EFTPOS terminal's serial number and store it in a secure location. Check the serial number matches this record each morning
- Make sure that any CCTV or other security cameras located near your EFTPOS terminals cannot observe cardholders entering details.

Contact ANZ on +679 331 6644 or refer to section 2 for country phone number in Merchant Operating Guide immediately if:

- Your EFTPOS terminal is missing;
- You or any member of your staff is approached to perform maintenance, swap or remove your EFTPOS terminal without prior notification from your terminal provider and/or security identification is not provided;
- Your EFTPOS terminal prints incorrect receipts or has incorrect details;
- Your EFTPOS terminal is damaged or appears to have been tampered with.

This material is provided for information purposes and is intended as a general guide only. Adopting some or all of the procedures outlined above will not guarantee that you will not be exposed to fraud. While ANZ has taken care to ensure this information is accurate, it cannot warrant its accuracy, completeness or suitability for your intended use. To the extent permitted by law, ANZ does not accept any responsibility or liability arising from your use of the information.

14. INTERPRETATION AND GLOSSARY

14.1 Interpretation

- (a) If the Merchant consists of more than one person, the liability of those persons under the Merchant Agreement is joint and several.
- (b) If there is an inconsistency between the documents forming the Merchant Agreement, the following order prevails:
 - (i) the Letter of Offer and Variation Letter of Offer (if any);
 - (ii) the General Conditions;
 - (iii) the Merchant Operating Guides.
- (c) A reference to an individual or person includes a reference to a company and any other entity the Law recognises.
- (d) The singular includes the plural and vice versa.
- (e) A reference to the Merchant Agreement or any document forming part of the Merchant Agreement, or any Law is a reference to the Merchant Agreement, document or Law as amended, novated, supplemented, replaced or re-enacted.
- (f) A reference to “you” is a reference to the Merchant.
- (g) A reference a “mail” includes information sent or received by facsimile or email.
- (h) The use of headings are for convenience only and do not affect the interpretation of the Merchant Agreement.

14.2 Meaning of Words and Expressions (for General Conditions and Specific Conditions)

In the Merchant Agreement:

“ANZ” means Australia and New Zealand Banking Group Limited ABN 11 005 357 522 if operation is a branch in the country of domicile of the Merchant or the subsidiary of Australia and New Zealand Banking Group Limited ABN 11 005 357 522 operating in the country of domicile of the Merchant.

“ANZ eGate™” means the Internet based payments service that facilitates the payment by customers for goods and services purchased from ANZ eGate™ Merchants both over the Internet and through other ANZ Approved Payment Methods.

“ANZ eGate™ Merchant” means the person named as Merchant in the Letter of Offer and has been assigned an ANZ eGate™ Merchant ID by ANZ.

“ANZ goMoney Account Holder” means a person or company who holds a bank account with ANZ which is linked to the ANZ goMoney service.

“ANZ Group” means ANZ and their related bodies corporate located inside or outside the country of domicile of the Merchant.

“Available Funds” means the amount of cleared funds available to transact with from the Merchant's Account.

“Application” means the application form (or other mode of application permitted by ANZ from time to time) completed, and submitted to ANZ, by the Merchant for the Merchant Facilities and, for the avoidance of doubt, includes all supporting documentation provided to ANZ in connection with the Merchant's application and the Secure Internet Site Declaration.

“Approved Currency” means the overseas currencies for which Customer Preferred Currency is available in the Country where ANZ's office shown in the Letter of Offer is located

“Authorisation” has the meaning given in condition 4.2(a).

“Authorisation and Assistance Centre” means the authorisation centre approved by ANZ for the purposes of the Merchant Agreement and the details of which are notified to the Merchant by ANZ.

“Authorised Floor Limit” means the total value of sales or payment which the Merchant is authorised to make to a Cardholder in any one Transaction without ANZ's Authorisation. The Authorised Floor Limit is set out in the Letter of Offer and may be varied by ANZ in accordance with condition 4.1(p)

“Business Day” means a week day on which ANZ is open for general banking business the country of domicile of the Merchant.

“Cardholder” means a person issued with:

- (a) a Nominated Card; or
- (b) authorised to use a Nominated Card.

“Card Imprinter” means any card imprinter to be used to process Transactions manually.

“Chargeback” means a Transaction that ANZ charges back to the Merchant in accordance with Condition 12(i)(b);

“Chip” means an electronic component designed to perform processing or memory functions.

“Chip card” means a card embedded with a chip that communicates information to a point-of-transaction terminal.

“Chip-initiated Transaction” – means an EMV and Chip Card Transaction that is processed by the EFTPOS terminal reading the card via its chip.

“Chip-Reading Device” means an EFTPOS Device capable of reading, communicating, and processing Transaction data from a Chip Card.

“Chip card” means a card embedded with a chip that communicates information to a point-of-transaction terminal.

“Contactless Card” means EMV Contactless chip cards which support EMV Contactless Transactions.

“Contactless Reader” means a device approved by us that reads Contactless Cards using radio waves rather than reading the card via its chip and/or magstripe.

“Contactless Transaction” means EMV Contactless chip cards which transmit card data using radio waves instead of a device physically reading the card magnetic strip, stripe or chip.

“Collection Code” means the number generated by the ANZ goMoney system at the time of the ANZ goMoney Account Holder completes a Send Money Payment Transaction.

“CPC Transaction” means a Transaction where the Overseas Cardholder has elected to use the CPC Service.

“Credit Authorisation Terminal” means a device which facilitates authorisation of sale Transaction and Refund Transactions using a Nominated Card (being a credit card), which captures Transactions information, and which can be used by the Merchant at a later time or date to initiate the credit or debit of funds to facilitate the settlement of those Transactions.

“Credit Transaction” means a Transaction where payment is made by ANZ or another card issuer of a Nominated Card (being a credit card) on behalf of the Cardholder pursuant to a credit card contract between ANZ and the Cardholder or the Cardholder and the other Nominated Card issuers (as the case may be) in discharge of the Cardholder’s debt for goods or services supplied by the Merchant to the Cardholder.

“Customer Preferred Currency” or **“CPC Service”** means the conversion of the local currency in which the Merchant’s goods and services are priced into an Approved Currency, as agreed upon by the Overseas Cardholder and the Merchant, in accordance with the terms and conditions of the Agreement.

“CVM” means- cardholder verification method initiated via pin entry and cardholder signature

“Debit Card” means an electronic card linked to an ANZ bank account which uses the Cardholders own funds.

“Debit Transaction” means a Transaction where payment is made by debiting funds in an account which is authorised for access by the Cardholder’s Nominated Card.

“Electronic Banking Services” means the electronic banking services team of ANZ for the purposes of the Merchant Agreement, the details of which is notified to the Merchant in the Letter of Offer and may be updated from time to time by notification to the Merchant by ANZ.

“Electronic Terminal” means:

- (a) any electronic device or equipment (including where applicable a portable electronic device or equipment but not including an automatic telling machine), for processing Transactions using Nominated Cards and for initiating the credit or debit of funds to facilitate the settlement of those Transactions; or
- (b) any Credit Authorisation Terminal.

“Exchange Rate” means the exchange rate set by Travelex Outsourcing Pty Ltd that applies on any given day.

“Fallback Transaction” means an EMV Chip Card is present and the Transaction initially attempted at a Chip-Reading Device, where the device’s inability to read the Chip prevented the Transaction from being completed using the Chip Card data, and the Transaction is instead completed using magstripe.

“Forced Fallback Transaction” the Merchant intentionally foregoes the Chip card processing requirements and fall back procedures and proceeds to using an alternate means of data capture and transmission through magstripe or key entering the card details or voice authorisation.

“Force Majeure” means any act of nature, war, riot, sabotage, revolution, or any other unlawful act against public order or authority, an industrial or labour dispute, a governmental restraint, civil unrest, coup, power shortages or power failure, sudden or unexpected system failure, or any other event or cause which is not within the reasonable control of ANZ or the Merchant.

“Foreign Exchange Laws” means the foreign exchange laws and regulations of the country of domicile of the Merchant.

“GPRS” means general packet radio service.

“Insolvency Event” means any of the following:

- (a) the Merchant has a receiver, receiver and manager, mortgagee in possession or voluntary administrator appointed to the Merchant or any of the Merchant’s assets; or
- (b) the Merchant becomes subject to any other form of external administration; or
- (c) a resolution is passed for winding up of the Merchant or an order is made for winding up of the Merchant;
- (d) an application for winding up of the Merchant is presented, which relates to an amount of money owed by the Merchant which is not bona fide in dispute;
- (e) a credit provider, credit reporting agency or other financial institution reports that, in their opinion, the Merchant is insolvent and unable to meet its financial commitments as they fall due;
- (f) if the Merchant is a partnership, the partnership is dissolved or the Merchant resolves to dissolve the partnership; or
- (g) if the Merchant is an individual, the Merchant becomes, or is declared, bankrupt or dies.

“Intellectual Property Rights” means:

- (a) inventions, discoveries and novel designs, whether or not registered or able to be registered as patents, designs, including developments or improvements of equipment, products, technology, processes, methods or techniques;
- (b) copyright (including future copyright) throughout the world in all literary works, artistic works, computer software, and any other works or subject matter in which copyright subsists and may in the future subsist;
- (c) confidential information and trade secrets; and
- (d) trade and service marks (whether registered or unregistered).

“International Transaction” means a Transaction undertaken by an Overseas Cardholder including CPC Transactions

“Internet” means the public on-line computer network of that name or any successor of it.

“Invalid Transaction” means a transaction that is invalid under condition 4.5(e).

“Law” includes any law, statute, regulation, ordinance, proclamation, by-law or statutory instrument or order, including codes of conduct issued by regulatory bodies.

“Letter of Offer” means the letter in which ANZ made the offer of Merchant Facilities to the Merchant.

“Merchant” means the person named as Merchant in the Letter of Offer.

“Merchant Account” means the bank account or accounts nominated by the Merchant for the purposes of the Merchant Agreement.

“Merchant Agreement” means the agreement constituted by the Merchant’s acceptance of ANZ’s offer on the terms and conditions set out in the Letter of Offer and comprising the documents referred to in the introduction section of this document (condition 1(b)), as varied from time to time.

“Merchant Facilities” means the services and facilities ANZ makes available to the Merchant under the Merchant Agreement.

“Merchant Operating Guides” means each current merchant operating guide(s) which is provided by ANZ to the Merchant, as varied from time to time.

“Nominated Card” means each card being a debit card or credit card or both described in the Letter of Offer and any other card authorised by ANZ for the purposes of the Merchant Agreement and notified to the Merchant in writing.

“Nominated Card Scheme” means any scheme established to manage and establish standards and procedures for the issuance and acceptance of Nominated Cards and the settlement of Transactions.

“PIN” means the Personal Identification Number selected by a Cardholder, which when used in conjunction with a Nominated Card, enables the Cardholder to make Electronic Transactions

“Premises” means the various locations or location where the Merchant conducts business and is authorised by ANZ to accept Nominated Cards.

“Reasonable Identification Details” means:

- (a) the Cardholder’s name (as it appears on the card);
- (b) the Cardholder’s home address (not a PO box);
- (c) delivery address (if not same as home address);
- (d) the Cardholder’s signature (unless the order is made by telephone or via the Internet); and
- (e) the Cardholder’s contact telephone number.

“Refund” means, in respect of a sales Transaction, the reversal in accordance with the Merchant Operating Guides of that sales Transaction.

“Scheduled Downtime” means a period of time scheduled by ANZ for internal administrative purposes resulting in restricted or no access to the Merchant Facilities.

“Security” means any guarantee or guarantee and indemnity or bill of sale, mortgage charge or other security interest or any authority to appropriate and set-off deposits ANZ may request the Merchant to provide under condition 13.8.

“Send Money” means the Send Money Transaction which generates a Collection Code.

“Send Money Payment” means the payment that has been generated by the ANZ goMoney Account Holder, for collection by the Send Money Recipient

“Send Money Recipient” means the person nominated by the ANZ goMoney Account Holder to receive the Collection Code; this person does not need to be a Cardholder or hold an account at ANZ.

“SIM” means subscriber identification module.

“Taxes” means all taxes, levies, imposts, duties and charges, including, but not limited to, stamp duty, financial institutions duty, goods and services tax, consumption tax, value added tax or similar tax.

“Terminal Rental Fee” means the amount specified in the Letter of Offer as the terminal rental fee.

“the Agreement” means the agreement constituted by the Merchant’s acceptance of ANZ’s offer on the terms and conditions set out in the Letter of Offer and comprising the documents referred to in the Introduction section of this document, as varied from time to time.

“3D Secure Online Authentication” means the process of authenticating the identity of Cardholder(s) at the time of purchase through the:

Visa service known as “Verified by Visa”; or

MasterCard service known as “MasterCard SecureCode”**Transaction** includes a sales transaction (being the supply of goods or services or both), Refund transaction or cash transaction in which a Nominated Card or a card number of a Nominated Card is used and which is processed by the Merchant manually or electronically and includes any transaction for the supply of goods or services by a Merchant to a Cardholder.

“Transaction Voucher” includes a sales voucher or transaction record or Refund voucher or transaction record (as applicable) or any transaction record used in processing Transactions manually or electronically.

“Unbanked Transaction” a transaction that has not been settled to the merchants account successfully

“UnionPay”- UnionPay defines the membership Scheme network for the acceptance of China Union pay branded cards.

SPECIFIC CONDITIONS A – ANZ EGATE™

1. About these Specific Conditions A

These Specific Conditions A apply if the Letter of Offer specifies and the Merchant has accepted ANZ's offer to include the ANZ eGate™ option as part of the Merchant Facilities. These Specific Conditions are read together with all other documents comprising the Agreement.

ANZ eGate™ is an Internet payment gateway, which enables the Merchant to send Transactions to ANZ for authorisation and settlement, all via the Internet. It's ideal for Merchants accepting card not present Transactions.

The use of the information, graphics and materials on the ANZ eGate™ website is governed by the website terms of use and the privacy statement.

2. Merchant Operating System Requirements

The Merchant must acquire and maintain all equipment, services and software (other than the Software which ANZ provides to you) necessary for the Merchant to connect to, and use, ANZ eGate™. The terms on which ANZ provides the Merchant with the Software are set out in Condition 5 of these Specific Conditions.

3. What are the Merchant's Obligations

- 3.1 The Merchant must install and maintain the Software provided by ANZ at the Merchant's own expense.
- 3.2 The Merchant is responsible for complying with all legal obligations to its customers, including the delivery of goods or services to the customers whose Transaction(s) are processed through ANZ eGate™.
- 3.3 The Merchant is responsible for resolving any dispute between the Merchant and any of the customers involving any Transaction processed through ANZ eGate™. If the dispute relates to the authorisation of any Transaction through ANZ eGate™, ANZ agrees to provide reasonable assistance in resolving the dispute should the Merchant require it.
- 3.4 Unless expressly permitted by the Agreement, the Merchant, its employees, agents and contractors must not make any representation or statement to a customer about ANZ eGate™, ANZ or any of the ANZ Group's procedures, policies or financial products.
- 3.5 If the Merchant offer customers the ability to make payments online, then the Merchant:
 - a. acknowledges and agrees that it will utilise 3D Secure On-line Authentication; and

- b. must adhere to the requirements of the VerifiedbyVisa and MasterCard SecureCode programmes.

3.6 In using 3D Secure Online Authentication, the Merchant:

- a. must use 128 SSL bit encryption on the Merchant's website;
- b. must provide ANZ with the information reasonably requested by ANZ for inclusion in authentication marketing or registration sites including ANZ websites, VISA and VerifiedbyVisa, and MasterCard and MasterCard SecureCode sites, Currency Pty Limited sites, and others in agreement with the Merchant;
- c. the Merchant must display on the Merchant's payment page the ANZ identification device for 3D Secure Online Authentication;
- d. the Merchant must terminate the Transaction and advise the customer the Transaction cannot proceed if Visa or MasterCard (as the case may be) returns any response other than a successful authentication; and
- e. if the Merchant provides specific online promotions specified on the Merchant's site for ANZ cardholders, the Merchant must have these promotions first approved by Visa or MasterCard (as the case may be) and ANZ.

3.7 The Merchant agrees that it will not store Cardholder's account numbers without ANZ's prior written approval, which approval shall be granted at ANZ's sole discretion and only following a security review by ANZ of the Merchant's systems and processes.

3.8 The Merchant agrees to pay all fees and charges that relate to ANZ eGate™ as detailed in the Letter of Offer.

4. Merchant's Website

4.1 Where the Merchant is specifically authorised by ANZ to accept a credit Nominated Card as payment for goods or services ordered via the Internet:

- a. in addition to any information set out in the Merchant Operating Guides or as otherwise notified by ANZ from time to time, the Merchant's website must contain all of the following information:
 - i. a complete description of the goods or services offered;
 - ii. a returned merchandise and Refund policy;
 - iii. a customer service contract, including electronic address and/or telephone number and the physical address of the Merchant's Premises;
 - iv. any export or legal restrictions (if known);
 - v. a delivery policy (including the delivery cost, if any); and
 - vi. a privacy policy (including the Merchant's policy for transmission of the Cardholder's details).

- b. except with ANZ's prior written consent, the Transaction currency on the Merchant's website must be in the local currency of the country of domicile of the Merchant;
- c. the Merchant must complete a Secure Internet Site Declaration to ANZ's satisfaction;
- d. must operate a firewall that is regularly updated; and
- e. the Merchant, at its own cost, arrange for the Merchant's website to be prepared and maintained in accordance with ANZ's reasonable requirements, including those requirements applicable to Internet security standards as described in the Merchant Operating Guides or otherwise notified by ANZ in writing from time to time.

5. Intellectual Property – ANZ Software

- 5.1 ANZ grants the Merchant a non-exclusive, non-transferable licence to use the Software for the duration of the Agreement. The Merchant may install the Software on any of the Merchant's computers or web-servers.
- 5.2 The Merchant does not have an proprietary rights (including any Intellectual Property Rights) in:
 - a. the Software;
 - b. any authorised or unauthorised modifications to the Software; or
 - c. any updates or new releases to the Software.
- 5.3 The Merchant must not copy, alter, modify or reproduce the Software or merge all or any part of the Software with any other software except;
 - a. inactive copies made solely for the purposes of backup or archiving;
 - b. copies which are necessary to integrate the Software for use with the Merchant's website or any other software the Merchant use in the Merchant's business; or
 - c. as otherwise reasonably required for the purposes of the Agreement with ANZ's prior written consent.
- 5.4 The Merchant must ensure that any copy of the Software, which the Merchant makes, as permitted under this Condition, bears all Intellectual Property Rights ownership notices contained in, or supplied with, the Software.
- 5.5 The Merchant must not distribute or resell the Software to any person, including by supplying access to the Software through bureau service processing, without ANZ's prior written consent.

5.6 The Merchant agrees to comply with any other terms specified by ANZ and/or ANZ's third party vendors with respect to the ANZ Software notified by ANZ from time to time.

5.7 Except where specifically authorised by Law, the Merchant must not, and must not directly or indirectly allow or cause a third party to, reverse assemble or reverse compile the whole or any part of the Software. The Merchant indemnifies ANZ for any use, copying, modification or reproduction of the Software outside the terms of this Agreement.

6. ANZ's Obligations to the Merchant

6.1 ANZ will:

- a. keep the Merchant informed about new services offered through ANZ eGate™ which may benefit the Merchant's business; and
- b. endeavour to resolve any complaints that the Merchant may have about ANZ eGate™.

6.2 If the Merchant is unable to use ANZ eGate™ or the Merchant has enquiries relating to the operation of ANZ eGate™, the Merchant can contact the ANZ Digital Channels service in your country of domicile (refer to section 2 for country phone number in your Merchant Operating Guide)

6.3 If Letter of Offer specifies and the Merchant has accepted ANZ's offer to include the ANZ eGate™ option as part of the Merchant Facilities, ANZ will provide the Merchant with the Software to enable the Merchant to connect to, and use, ANZ eGate™.

6.4 ANZ has no obligation to provide:

- a. advice or training on the Software; or
- b. error-correction, modifications or updates to the Software; or
- c. new releases or enhancements for the Software; or
- d. support or maintenance for the Software once it is installed.

7. Merchant Acknowledgements

7.1 The Merchant acknowledges that:

- a. ANZ eGate™ may be affected by outages, faults or delays. Such outages, faults or delays may be caused by many factors, including without limitation, technical difficulties with the performance or operation of ANZ's or another person's software, equipment or systems, traffic or technical difficulties with the Internet or infrastructure failures;

- b. although ANZ has implemented the security procedures described on ANZ's website(s), it cannot warrant that unauthorised access to information and data could not occur;
 - c. ANZ does not verify the identity of any person who registers with, or uses, ANZ eGate™;
 - d. ANZ does not verify any information which the Merchant or customer provides to ANZ to enable ANZ to process a Transaction through ANZ eGate™;
 - e. Notwithstanding that a Transaction has been authorised through ANZ eGate™, in certain circumstances a Transaction may nevertheless be declined or charged back. Some of the circumstances in which this may happen are described in the Merchant Operating Guides;
 - f. the Merchant has relied on the Merchant's own independent assessment and judgment in determining whether the ANZ eGate™ provided under the Agreement meets the Merchant's requirements and the Merchant has not relied on any statement or representation made on behalf of ANZ in deciding to enter into the Agreement.
- 7.2 The Merchant acknowledges and agree that any loss, damage or liability (including without limitation, any direct or consequential loss, damage or liability arising from disruption to the Merchant's business) the Merchant may suffer or incur as a result of any of the above is the Merchant's responsibility and is a risk that the Merchant assumes.

8. Termination

If the Merchant's ANZ eGate™ Merchant Facility is terminated, then in addition to any other provisions under Condition 29 of the General Conditions:

- a. may enter the Merchant's Premises to repossess from the Merchant any software (including the Software), equipment, documents or promotional material supplied by ANZ or any of its contractors; and
- b. The Merchant must immediately remove all references to ANZ eGate™ from the Merchant's website and the Merchant's current advertising and marketing materials.

SPECIFIC CONDITIONS B – CUSTOMER PREFERRED CURRENCY

1. About these Specific Conditions B

These Specific Conditions B apply if the Letter of Offer specifies and the Merchant has accepted ANZ's offer to process Customer Preferred Currency Transactions as part of the Merchant Facilities. These Specific Conditions are read together with all other documents comprising the Agreement.

2. About the CPC Service

- 2.1 The CPC Service will enable Overseas Cardholders to present a credit Nominated Card at the Merchant's Premises and to pay for a purchase in the Approved Currency in which the Nominated Card is denominated, based upon an Exchange Rate, while the Merchant receives settlement of the Purchase Amount in the local currency of the country of domicile of the Merchant.
- 2.2 The Merchant acknowledges and agrees that the Purchase Amount will be converted to the Approved Currency in which the Nominated Card is denominated based upon the Exchange Rate and the Overseas Transaction Amount will be cleared through the applicable Nominated Card Scheme in the Approved Currency in which the Nominated Card is denominated.
- 2.3 ANZ reserves the right to add, delete or suspend any currency to or from the CPC Service at any time without notice to the Merchant. Further, ANZ may terminate or suspend the CPC Service for any reason upon notice to the Merchant.

3. Programme Requirements

- 3.1 The Merchant must comply with all reasonable instructions provided by ANZ pertaining to the CPC Service as detailed in this Agreement.
- 3.2 Without limiting the foregoing, the Merchant agrees to comply with the following CPC Service requirements:
 - a. Overseas Cardholder Opt-In: The Merchant must provide Overseas Cardholders who hold a credit Nominated Card with the ability to 'opt-in' or consent to use the CPC Service;

- b. Credits or Returns: In the event that the Merchant issues a credit to a Nominated Card account, reflecting either the partial or complete return or reimbursement of a CPC Transaction, the Overseas Cardholder may elect to have that Refund or credit processed using the CPC Service. If the Overseas Cardholder elects to opt-in, the credit or return will be converted to the Approved Currency using the Exchange Rate applicable on the date of presentation of the credit by the Merchant and that credit, as converted, will be cleared through the applicable Nominated Card Scheme in the Approved Currency in which the Nominated Card is denominated;
- c. Commission: The Merchant must comply with any legal obligation requiring the Merchant to disclose any commission (if any) the Merchant receives when an Overseas Cardholder elects to use the CPC Service.

4. Processing and Settlement of CPC Transactions

When the Merchant has a CPC enabled Electronic Terminal and/ or able to process CPC Transactions online via ANZ eGate™, all of the Merchant's Transactions will be processed by Currency Select Pty Limited on behalf of ANZ.

Settlement of Transactions is in the Merchant's local currency to the Merchant Account. ANZ eGate Transaction settlements occur one business day following the transaction date (for purchases prior to the cut-off period) and includes settlement for CPC transactions.

5. Operating Instructions

5.1 How it Works – CPC Transactions via ANZ eGate™

When a Cardholder makes a payment for goods or services purchased from ANZ eGate™ Merchant with an overseas Nominated Card where their billing currency is one of the CPC Approved Currencies, the Cardholder is given an option (facilitated by Currency Select Dynamic Currency Conversion) of paying for their purchase in their card billing currency rather than in the Merchant's local currency.

The Exchange Rate and the total price in the Cardholder's billing currency are displayed on the ANZ eGate™ payment details page, providing an opportunity for the Cardholder to evaluate the CPC offering before making a decision to either process as a CPC Transaction or process in the Merchant's local currency.

Merchants and Cardholders should be aware that the rate at which the Transaction is converted is based on a retail exchange rate provided by Travelex Outsourcing Pty Limited which includes a fee paid to Travelex Outsourcing Pty Limited, plus a commission that is charged by ANZ and a commission (if any) received by the Merchant. Additional fees may be charged by the Cardholder's bank.

The Transaction Voucher page generated from a CPC Transaction shows the Transaction amount in the Merchant's local currency and the card's billing currency, the applicable exchange rate used in the CPC Transaction, including any commission or fees associated with the CPC Transaction, the total price in the Transaction currency chosen by the Cardholder, and other CPC disclosures required by Nominated Card Schemes rules.

5.2 How it Works – CPC Transactions via Electronic Terminals

When a Cardholder presents an overseas Nominated Card where their billing currency is one of the CPC Approved Currencies, the Cardholder is given an option (facilitated by the Merchant or chip card) of paying for their purchase in their card billing currency rather than in the Merchant's local currency.

The Exchange Rate and the total price in the Cardholder's billing currency are displayed on the terminal, providing an opportunity for the Cardholder to evaluate the CPC offering before making a decision to either process as a CPC Transaction or process in the Merchant's local currency.

Merchants and Cardholders should be aware that the rate at which the transaction is converted is based on a retail exchange rate provided by Currency Select Pty Ltd which includes a fee paid to Currency Select Pty Ltd, plus a commission that is charged by ANZ and a commission (if any) received by the Merchant. Additional fees may be charged by the Cardholder's bank.

The Transaction Voucher generated from a CPC Transaction shows Transaction amount in the Merchant's local currency and the card's billing currency, the applicable exchange rate used in the CPC Transaction, including any commission or fees associated with the CPC Transaction, the total price in the Transaction currency chosen by the Cardholder, and other CPC disclosures required by Nominated Card Schemes rules.

5.3 Choice of Payment in Local Currency

When the Merchant has a CPC enabled terminal, the Merchant must:

- a. inform the Cardholder that CPC is optional (the Cardholder may wish to complete the Transaction in the Merchant's local currency);
- b. inform the Cardholder if the Merchant receives a commission for processing CPC Transactions;
- c. not impose any additional requirements or charges on the Cardholder to process the Transaction in the Nominated Card's local currency;
- d. not use any language or procedures that may cause the Cardholder to choose CPC by default.

5.4 Card Not Present Transactions

For Card Not Present Transactions, the Merchant must disclose the following prior to offering CPC:

- a. inform the Cardholder that they have the choice of paying in the Merchant's local currency;
- b. disclose the Transaction amount in the Merchant's local currency;
- c. disclose the full Transaction amount in the Cardholder's billing currency, including the commission amount;
- d. advise the applicable Exchange Rate and commission rate separately; and
- e. generate these details to the Merchant's website Transaction Voucher/ purchase confirmation page.

5.4 Currencies Available*

The CPC approved currencies may vary from time to time. The merchant should contact the ANZ Digital Channels services for a current list of CPC approved currencies.

5.6 Merchant Statements

The Merchant will receive a statement of Transactions each day for all transaction settled for ANZ eGate. The statement will be emailed to the merchants nominated settlement email address:

The statement shows:

- a. All transaction debited/credited for that date;
- b. The merchant service fee (and where applicable, scheme and interchange fees) applicable to the transactions and the net merchant service fee calculation for the month.

The merchant will also be emailed a monthly summary on the first day of the every month, giving a summary of the total ANZ eGate settled transaction types for the previous month. © Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522.



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