

STEPP[®] Service Agreement

This legal and binding agreement is entered into between

Organisation Name _____

Registration No _____

VAT No _____

Person name _____

ID number _____

Physical Address _____

_____ Code (_____)

Telephone Number (fixed no) _____

Fax Number _____

Cellphone number _____

OPTION Selected (see Annexure 2) _____

"The Merchant"

And

STEPP[®] Asset Management Services (Pty) Ltd
2003/022898/07
t/a **"STEPP"**

OFFICE USE Only - Sales Person:

Date:

1. DEFINITIONS

- 1.1. **STEPP** refers to the proprietary mobile payment service of STEPP that allows the Merchant to process credit and certain debit cards from a registered cellular phone using a variety of technologies including but not limited to Wireless Internet Gateway (WIG), Wireless Application Protocol (WAP) and the internet.
- 1.2. **Acquirer** refers to a banking institution or independent card processor who will provide the merchant with an acquiring account ("Merchant account").
- 1.3. **Other service providers** refers to networks, banks and any other service or technical service provider that renders an independent service that supports the services rendered under this agreement.
- 1.4. **Switching** refers to the process of routing transaction data for processing at a bank, an acquiring institution, or service provider for the purposes of credit and debit card authorization and settlement, stored value processing, loyalty processing and voucher service processing.
- 1.5. **The Merchant** refers to the party contracting with STEPP and includes officers, employees, agents, and any other user of the services provided by STEPP in terms of this contract.

2. DEBIT ORDER AUTHORIZATION

- 2.1. The Merchant hereby authorizes STEPP to debit the following nominated account each month for the duration of this contract:

Bank Name:	
Branch:	
Branch Code:	
Account Type:	
Account Number:	
Account Name:	

- 2.2. The Merchant hereby undertakes to notify STEPP in writing 30 days in advance should the Merchant wish to move the debit order to another nominated account.
- 2.3. The Merchant nominates the above account as the account to which the Acquirer shall settle transactions and from which the Acquirer shall recover costs associated with the provision of the acquiring service.
- 2.4. The merchant agrees that STEPP shall debit the nominated account to recoup expenses and fees associated with but not limited to subscription fees, SMS fees, transaction processing fees and or percentages, terminal rental fees, EFT fees, and license fees. STEPP shall debit the Merchant on a monthly basis in arrears for the prescribed fees.
- 2.5. Should the Merchant fail to pay the agreed upon fees within 14 days of receiving an invoice from STEPP then the Merchant shall be charged interest on the fees at the rate of 2% per month.
- 2.6. The Merchant shall be billed a once-off set-up fee of R250.00, depending on the option, for the initialization of the services subscribed to below.
- 2.7. Should STEPP suspend the provision of services to the Merchant for any reason during the contract period the Merchant shall be required to pay a reconnection fee of R250.00 in order to re-activate the suspended account.
- 2.8. STEPP makes use of a 3rd party to collect the debit order.

- 2.9. I _____ hereby acknowledge and authorize the use of this debt order form.

Signature: _____

3. SERVICES

- 3.1. The Merchant hereby subscribes to the nominated services for a minimum period of 12 months **or** as per the different options mentioned in **annexure 2** from the date of signature of this agreement and in accordance with terms and conditions contained in this agreement.
- 3.2. Monthly fees are payable one month in advance excluding all bank fees e.g. percentage fee of the transaction, SMS, EFT and cheque fees.
- 3.3. STEPP-vWire costing:
See annexure 2 for detailed pricing AND select the option that would be applicable to you.
(PLEASE NOTE THIS PRICING CAN CHANGE WITHOUT ANY NOTICE)

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3.4. The Merchant nominates the following person as the administrator for its STEPP-vWire account:

Name	
Surname	
ID number	
E-mail address	
Mobile number	
Phone number (Landline)	Code()
Postal Address	

4. LIMITATION OF LIABILITY

- 4.1. STEPP shall not be held liable or accept responsibility for:
- 4.2. Any expenses, losses, or damages incurred as a result an unsuccessful or delayed application for a merchant account from any acquiring institution or for services from 3rd party service providers that are required for this contract to operate.
- 4.3. Any losses, liability, or damages incurred by the Merchant due to the suspension of the contracted services provided by STEPP.
- 4.4. Any losses, liability or damages incurred by the Merchant due to the suspension or cancellation of the Merchants account by the Acquirer for whatever reason.
- 4.5. Any losses, damages, or liability incurred by the Merchant due to the fraudulent activities of the Merchant and his employees or agents.
- 4.6. Any losses, damages or liability incurred by the Merchant as a result of fraud or any other actions committed by customers of the Merchant including but not limited to repudiated transactions, card skimming, bank claw-backs and the like.
- 4.7. Any losses or damages incurred by the Merchant as a result of any failure, fault, or suspension in the services and systems of Other Service Providers upon which the services rendered by STEPP rely.
- 4.8. Any losses or damages, howsoever arising, of whatsoever nature.

5. CONFIDENTIALITY

- 5.1. During the course of this Agreement, either party may disclose Confidential Information to the other party and shall not, without prior written consent of the other/s use, disclose, copy or modify the other Party's Confidential Information and/or the Client Confidential Information (or permit others to do so) other than as necessary for the performance of its rights and obligations under this Agreement.
- 5.2. For the purposes of this Agreement "Confidential Information" means all material provided either party to each other; information or material proprietary to, or deemed to be proprietary to either party; information about the either party designated as confidential by either party; all trade secrets of either party; information in which either party has intellectual property rights; and extends to all forms of storage or representation of either party including, but not limited to, loose notes, diaries, memoranda, drawings, photographs, electronic storage and computer print-outs but excludes any Client Confidential Information, or any portion thereof, which information at the time of disclosure is already in the public domain; is disclosed by a third party and the receiving party reasonably believes the third party is legally entitled to disclose such information; was known to the receiving party prior to its receipt from the other party; is developed by the receiving party independently of any disclosures previously made by the other party; is disclosed with the disclosing party's prior written consent; and/or is required by law to be disclosed to a third party, in respect of that third party.
- 5.3. All Confidential Information made available under this Agreement, including copies of the Confidential Information, shall, at the provider's discretion, be returned or destroyed upon either the completion of the term or the termination of this Agreement unless the receiving party is otherwise permitted to retain the Confidential Information.
- 5.4. Notwithstanding the contents of this clause, the Merchant hereby gives STEPP permission to conduct any background search or any other search conducted by STEPP in order to verify any information supplied by the Merchant which STEPP deems to be necessary to protect itself.
- 5.5. In the event of a dispute, the parties, where legally applicable, consent to the jurisdiction of the Witwatersrand local division of the High Court of South Africa.

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6. MINIMUM REQUIREMENTS

The Merchant shall be obliged to comply with the following minimum requirements, failing which, STEPP may suspend the services. The Merchant must have:-

- 6.1. WAP enabled Cellphone (wireless application protocol)
- 6.2. WIG (wireless internet gateway)
- 6.3. 32k or bigger SIM card
- 6.4. Valid E-Mail address
- 6.5. Valid South African Bank account.

7 FICA Documents Requirement

- 7.1 A copy of the applicants ID(s).
- 7.2 A Copy of the bank statement in which the monies must be transferred.
- 7.3 Proof of residence.
- 7.4 Utility bill
- 7.5 If company, front-page copy of the CC or PTY
- 7.6 Directors ID(s).
- 7.7 Copy Tax Reference number
- 7.8 VAT certificate
- 7.9 Copy of cancelled Cheque
- 7.10 According to the new Credit Act failing to provide the necessary documents will result in suspension of services or fail for STEPP services

8 REFERRAL FEE

In the event of the Merchant referring a third party to STEPP, STEPP will pay the Merchant a referral fee of R180.00, or such other amount as STEPP pays its Merchant generally, once such third party has been approved by STEPP as a merchant and such third party has signed an agreement of service with STEPP.

9 GENERAL

- 9.1 The fees set out in 3.2 shall escalate at each 01 March at an annual rate of 10% or the CPI which ever is greater.
- 9.2 The transaction processing percentage shall be exempt from the annual increase in 3.3 above.
- 9.3 STEPP shall have the right to suspend the provision of the services to the Merchant. STEPP will advise the Merchant by SMS, facsimile or email.
- 9.4 When STEPP receives money from the relevant bank relating to the Merchant's transaction, the Merchant hereby gives STEPP permission to contact the card holder, at any reasonable time, for the purposes of verifying the transaction.
- 9.5 Once STEPP receives payment from the bank for the relevant transaction, it will make payment to the Merchant within a reasonable time thereafter, subject to STEPP'S internal procedures. Prior to making payment to the Merchant, STEPP shall request any documentary proof that STEPP, in its sole discretion, deems necessary prior to such payment being made. Moreover, STEPP shall request from the Merchant a copy of the transactions slip relating to the relevant transaction, failing which, STEPP may, in its sole discretion, refuse to release the funds to the Merchant for the relevant transaction.
- 9.6 Monthly fees are payable one month in advance.
- 9.7 14% VAT charged for services and fees.
- 9.8 STEPP will assist the Merchant in applying for a merchant account with a banking partner or similar service provider. The Merchant therefore agrees to provide STEPP with the necessary information required to initiate the application process.
- 9.9 Should the Merchant not be successful in procuring a merchant account via a bank or similar service provider then the terms of this contract shall become null and void and any terminals and peripheral equipment including SIM cards and the like shall be returned to STEPP within 3 working days failing which STEPP shall bill the Merchant for the full value of equipment retained by the Merchant.
- 9.10 The Merchant shall not hold STEPP responsible or liable in any way in the event that the Merchant fails to secure a merchant account.

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- 9.11 Should the Merchants merchant account be terminated, withdrawn, or closed during the term of this contract for whatever reason, then the Merchant shall still be required to pay the fees for the remaining period of the contract.
- 9.12 Should the Merchant at any stage cease to use the services provided by STEPP in terms of this contract then the Merchant will be required to pay the remaining portion of fees until the expiration of the contract period.
- 9.13 The Merchant agrees not to hold STEPP liable in any way for losses or damages incurred through the actions and business activities of the Merchant, whether legal or illegal, pertaining to the use of STEPP's services.
- 9.14 The Merchant agrees not to hold STEPP liable for any losses or damages experienced as a result of using the services and terminals provided by STEPP.
- 9.15 The Merchant understands that the services rendered by STEPP are reliant on independent external service providers including but not limited to banking institutions, cellular networks, telecommunications providers, hardware providers, cellphone handset manufacturers, internet service providers and so forth, that are not under the control of STEPP. The Merchant therefore agrees not to hold STEPP liable for any losses or damages incurred as a result of the disclosures or omissions of such external service providers.
- 9.16 STEPP reserves the right to report to the necessary banking institution and or relevant law enforcement any suspected fraudulent activities committed by the Merchant or his/her/its employees in the use of the services provided by STEPP. STEPP shall not be held liable for any losses or damages resulting from such disclosures provided that the disclosures are not made maliciously by STEPP.
- 9.17 The software systems provided by STEPP are proprietary in nature to STEPP and in some instances proprietary to 3rd party software suppliers. The Merchant understands the proprietary nature of the software and systems that the Merchant will have access to and undertakes not to reverse engineer copy or reproduce in any form the proprietary systems of STEPP and its software suppliers.
- 9.18 The Merchant shall according to the law keep a duplicate card rubbing of the client's Credit Card for security reasons and later dispute with charge backs.
- 9.19 Payment will only be done if the Merchant has faxed a clear signed copy of the card rubbing to STEPP.
- 9.20 STEPP shall not be held liable for the Merchant's negligence.
- 9.21 The Merchant will comply with all statutory, regulatory or other legal requirements which the Merchant and/or STEPP may be obliged to comply with, from time to time, immediately upon request by STEPP.
- 9.22 This contract shall automatically renew at the end of the initial 12-month contract period for a further period of 12 months unless the Merchant provides STEPP with written notice of cancellation 45 days prior to the expiry of the contract.
- 9.23 STEPP reserves the right to make upgrades, enhancements, or changes to the functionality and operation of the system from time to time. These changes will be made available to the Merchant at the discretion of STEPP.
- 9.24 STEPP will consider making system changes and enhancements at the request of the Merchant, but reserves the right to charge the Merchant for such changes that are made.
- 9.25 In the event of there being any disputes or charge-backs relating the relevant transaction, STEPP has the right to withhold any payments to the Merchant until such disputes have been resolved and/or the Merchant has made payment of any such charge-backs. The Merchant will, on request, provide STEPP with any documents that STEPP may believe are relevant to resolve any disputes relating to the relevant transaction, failing which, STEPP has the right to withhold payment from the Merchant.
- 9.26 STEPP may deduct payment of any charge-backs, subscription fees, or any other amount owing by the Merchant to STEPP from payments it receives from the Bank on behalf of the Merchant.
- 9.27 Payment will operate as follows e.g. R1000.00 - 5.5% (Transaction percentage) = R55.00 + R1.00 (Transaction Fee) + R0.66 (SMS Fee) = R56.66 + 14% (VAT) = R64.59 owed to STEPP R935.41 paid to the Merchant.
- 9.28 The Merchant agrees that STEPP may reverse any transaction which STEPP, in its sole reasonable discretion, has reason to believe will prejudice STEPP.
- 9.29 In the event that the Merchant fails to qualify for a Merchant account by the relevant Bank, STEPP may, its sole discretion, provide the Merchant with the use of STEPP's merchant account, subject to STEPP's requirements.
- 9.30 STEPP will not be liable for a failure to perform any obligations required of it under this Agreement to the extent that, and for so long as, performance is made impossible through circumstances beyond its reasonable control.
- 9.31 The Merchant shall be liable for all legal costs, on an attorney and own client basis, incurred by STEPP in enforcing its rights under this Agreement.
- 9.32 The Merchant shall not contact any of STEPP's services providers. Should the Merchant breach this clause, STEPP shall be entitled to immediately cancel or suspend this Agreement.
- 9.33 The Merchant has no authority to act as STEPP's agent under this Agreement and will not act on STEPP's behalf under any circumstances.
- 9.34 STEPP shall at all times act reasonably and co-operate with the Merchant.
- 9.35 STEPP shall protect the Merchant's interests whenever STEPP deems this to be necessary and STEPP shall at all times act legally and professionally.
- 9.36 STEPP's services shall be of a high standard at all times when carrying out the services under this Agreement for the Merchant. STEPP shall act reasonably in performing the services under this Agreement.

OFFICE USE Only - Sales Person:

Date:



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Auckland Park
2006

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Mail: info@STEPP.co.za
Web: www.STEPP.co.za

10 TERMINATION

This Agreement shall terminate where:

- 10.1 The contract period of 12 months **or** as per option selected in **ANNEXURE 2** has elapsed and the Merchant has provided STEPP with notice of cancellation 45 days prior to the end of the contract period.
- 10.2 Either the Merchant or STEPP commits an act of insolvency, is declared insolvent by Court or is liquidated and wound-up.
- 10.3 The Merchant has committed fraud, is suspected of committing fraud, or has committed an illegal act using the systems and services provided by STEPP and or its Other Service Providers.
- 10.4 The Merchant has breached any material term of this contract and the breach has not been remedied by the Merchant within 7 working days of receiving written notice of such breach by STEPP.
- 10.5 STEPP elects to terminate this Agreement.
- 10.6 The Merchant fails to comply with any of STEPP's minimum requirements.

Duly authorized and signed on behalf of the Merchant: _____

Name (Print) _____

Date _____

Signed at _____

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2006

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Annexure 2: Options and Pricing: (from 03/2007)

Select the option below:

Product or Service		Packages			
		1 Year	3 Month Trial	Exhibition	Corporate: Own Merchant ID
Monthly Subscription	Web Terminal (Internet)	R 180	R 250	R 240 Per Exhibition	R 200
	Cell (MTN Vodacom only) and Web Terminal	R 180	R 250	R 240 per Exhibition	R 240
	Per Additional Cell Terminal	R 65	R 65	R 65	R 65
Setup Fee	Once Off	R 150	R 150	R 150 for 1st Expo	R 150
Transaction Fees	Merchant Service Transaction Fee - based on monthly Turnover or Exhibition Turnover	5.5% for over R20000 turnover p/m 5.0% for over R30000 turnover p/m			1% Plus Negotiated Rate from your Bank
Authorization Fees (These costs excludes VAT)	Web Terminal	Normal Internet Connection Rates + R1.00 per Transaction			
	Cell Terminal	Normal Cellular Call Rates + 1 Confirmation SMS per + R1.00 per Transaction			
Extras	MTN/Vodacom SIM Card (Pre-Pay with R30 Airtime)	R 50			
	Zip-Zap Machine	R 250			

Price include VAT or as otherwise stated.

As the Merchant Setup, Monthly and Transaction Fees for Corporate Subscriptions, are negotiated by the merchant with the individual banks directly, they are excluded from the Corporate Fees as tabled above.

Pricing can change without any notice!!

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STEPP® Service Agreement – Private and Confidential

Initial here: