

OPERATING POLICIES AND PROCEDURES OF PAYNET

MYDEBIT STANDARD MERCHANT TERMS

1. MYDEBIT SERVICE

- 1.1 The Bank is a Participant of the MyDebit Services and the Merchant is a registered merchant for MyDebit Services.
- 1.2 In consideration of the fees paid to the Bank, the Bank agrees to facilitate the participation of the Merchant in the MyDebit Services in accordance with the Merchant Services Terms and Conditions.
- 1.3 The Merchant hereby agrees to observe all the minimum requirements in the Merchant Services Terms and Conditions as specified by the MyDebit Operator including any future revisions which will be communicated by the Bank to the Merchant.

2. PAYMENT TYPE

- 2.1 The Merchant shall support MyDebit transaction that enables Cardholders to use their Debit Cards to pay directly from their bank account via point of sale (POS) terminals and a dual-interface which supports both contact and contactless transactions.

3. OBLIGATIONS OF MERCHANT

- 3.1 The Merchant shall, at all times, comply with the Consumer Protection Act 1999 as the Merchant is prohibited to engage in misleading and deceptive conduct, false misrepresentation, and unfair claims in selling their products or services.
- 3.2 The Merchant shall not be involved or engaged in business activities that contravene the laws of Malaysia.
- 3.3 The Merchant shall not re-sell or acquire any other sub-Merchant(s) into the MyDebit Services or act as merchant aggregators for other Merchant(s), without the prior written consent of the MyDebit Operator and the Bank.
- 3.4 The Merchant shall not set a purchase limit.
- 3.5 The Merchant shall not impose any surcharge on a transaction made using MyDebit.
- 3.6 The Merchant shall execute the Merchant's 'Opt-Out' from Lowest Cost Routing Declaration in Appendix IV of the Operational Procedures for MyDebit through the Bank by furnishing all necessary information completely and accurately.
- 3.7 The Merchant shall open an account as the Merchant's Designated Account for the purpose of the transfer of funds to the Merchant.
- 3.8 The Merchant is prohibited and shall not retain any MyDebit cards belonging to Cardholders.

- 3.9 The Merchant shall not capture any of the MyDebit cards at their Terminals or kiosks at any point in time. If MyDebit cards are captured due to technical reasons or any other reasons, the Merchants shall return the cards to the Bank for onward submission to the Issuer bank within 24 hours.
- 3.10 The Merchant shall take all reasonable actions necessary to ensure that all Terminals and PIN Pads operated at their premises are available for use by Cardholders during MyDebit switch operating hours and that the Terminals and PIN Pads are utilized and have complied with the requirements set in the Operational Procedures for MyDebit.
- 3.11 The Merchant shall comply with the MyDebit Brand Guidelines issued by the MyDebit Operator at all times.
- 3.12 The Merchant shall prominently display MyDebit logo and MyDebit Services marks and shall inform the public that MyDebit Services is available at the Merchant's premises and/or on all documentation issued and/or used in connection with the provision of the services in order to identify and promote MyDebit Services.
- 3.13 The Merchant shall assist the Issuer and/or Bank with any inquiry undertaken in respect of misuse of the MyDebit Services.
- 3.14 The Merchant shall accept and honour all MyDebit cards when presented by Cardholders at any Terminal displaying the MyDebit logo and provide the goods and services on the same terms and conditions as those under which it supplies goods and services to persons purchasing goods or services by means other than by MyDebit cards.
- 3.15 The Merchant shall ensure the confidentiality and security of the PIN entered by the Cardholder at the Terminal.
- 3.16 The Merchant shall ensure that each sales and purchase transaction is confirmed by the Cardholder in a manner applicable to the Terminal.
- 3.17 The Merchant shall operate the Terminal in accordance with the Bank's direction and/or instruction.
- 3.18 The Merchant shall not misuse or tamper with the Terminal in any way.
- 3.19 The Merchant shall notify the Bank of the Terminal failure within two (2) Business Days after becoming aware of the failure of the Terminal. This provision is without prejudice to the Cardholder's obligation to notify the Bank of the Equipment failure within one (1) Business Day after becoming aware of the Equipment failure, where the Terminal is also used for other payment transactions and acceptances (other than MyDebit).
- 3.20 The Merchant must not make any warranties nor representations in respect of goods or services supplied which may bind the Bank, MyDebit Operator, Issuer of any Card or any other Participants in the MyDebit Services.
- 3.21 For the purpose of Clause 3.18, the Merchant will be liable for any claims, damages, and

expenses arising out of or caused to arise from misuse or unauthorised usage of the MyDebit Brand. In the event of such breach the Bank may terminate the Merchant's participation in the MyDebit Services. Upon termination, Clause 6.4 shall apply accordingly.

- 3.22 The Merchant shall consent and allow the Bank to disclose its information to the MyDebit Operator, as may be reasonably required for the purpose of and in connection with providing the MyDebit Services.
- 3.23 The Merchant shall ensure that their customers are aware that card payments can be made via MyDebit.
- 3.24 Clause 3.20 herein shall survive termination of the Merchant's participation in the MyDebit Services. Termination does not affect either party's rights accrued and obligations incurred before termination.

4. OBLIGATIONS OF THE BANK

- 4.1 The Bank shall implement reasonable measures to detect, mitigate, resolve and prevent fraudulent acts, actual and suspected.
- 4.2 The Bank shall ensure that the Merchant's business, activities, products and services do not contravene Malaysian laws.
- 4.3 The Bank shall ensure that the Merchant complies with all applicable requirements stipulated in the Operational Procedures for MyDebit and the Merchant Services Terms and Conditions.
- 4.4 The Bank shall ensure that the Merchant will take all reasonable actions necessary to ensure that all Terminals and PIN Pads operating at their premises are available for use by Cardholders during MyDebit switch operating hours and that the Terminals and PIN Pads are utilized and complies with the requirements set in Operational Procedures for MyDebit of the MyDebit Operator.
- 4.5 The Bank shall provide the necessary training to the Merchant on an on-going basis.
- 4.6 The Bank shall transparently disclose to the Merchant the interchange rates of the debit card schemes and the true effective cost of the two priority network routing choices (either MyDebit Priority Routing or AID Priority Routing) and accurately provide all information necessary for the Merchant to make an informed decision on network routing.
- 4.7 The Bank shall execute the Merchant's 'Opt-Out' from Lowest Cost Routing Declaration in Appendix IV of the Operational Procedures for MyDebit by furnishing all necessary information completely and accurately.
- 4.8 The Bank shall lodge the completed Merchant's 'Opt-Out' from Lowest Cost Routing Declaration with MyDebit Operator at least seven (7) Business Days before the opt-out takes effect.
- 4.9 The Bank shall route the Merchant's debit transactions to the network with the lowest

interchange cost and Merchant Discount in the event a Merchant does not decide on the preferred debit network routing and obtains the appropriate consent from their Merchant to disclose the information provided by the Merchant in Appendix V and Appendix VI of Operation Procedures for MyDebit to the MyDebit Operator.

- 4.10 The Bank shall complete and submit the 'Acquirers Fair Pricing Declaration' in Appendix VI of Operational Procedures for MyDebit on a quarterly basis, furnishing all necessary information completely and accurately. The Bank shall submit the 'Acquirers Fair Pricing Declaration' to PayNet by 15 January, 15 April, 15 July and 15 October of every year, attesting that fair prices have been quoted to their merchants in the preceding quarter.
- 4.11 If there are going to be disruptions due to scheduled maintenance, the Bank shall provide seven (7) Business Days advance notice to the Merchant and the MyDebit Operator, clearly specifying the duration and period of disruption. The Bank shall be subsequently required to provide the Merchant with sufficient targeted reminders closer to the scheduled maintenance to ensure that the Merchant is aware of the disruption.
- 4.12 The Bank shall inform the Merchant when the system or equipment is not available for use or when there is a malfunction.
- 4.13 The Bank shall ensure that the Merchant is paid in a timely manner in accordance with the Merchant Services Terms and Conditions upon receiving the funds via the interbank settlement at MyDebit Operator.

5. INDEMNITY

- 5.1 Subject to the Bank's and the Merchant's (hereinafter referred to as "party" or "party's") compliance with Clause 5.3, each party ("Indemnifying Party") agrees to indemnify and hold the other party and its servants, agents, employees and contractors harmless on a full indemnity basis against all claims, liabilities, penalties, expenses, costs, loss or damage of whatever nature (including legal costs on a full indemnity basis incurred by the other party) suffered or incurred by the other party as a result of any of the following:-
 - (a) any negligence, misrepresentation or fraud on the part of the Indemnifying Party, its servants, agents, employees or contractors with respect to the performance of its obligations or the exercise of any of its rights under these Additional Terms and Conditions for MyDebit Services;
 - (b) any claim by a Cardholder, the Bank, Issuer, MyDebit Operator or any other person for any breach by the Indemnifying Party of any applicable laws;
 - (c) the failure of the Indemnifying Party to observe any of its obligations under these Additional Terms and Conditions for MyDebit Services; or
 - (d) any use of the MyDebit Brand by the Indemnifying Party other than as permitted by the MyDebit Brand Guideline issued by the MyDebit Operator, except to the extent that such liability arises or is incurred by the other party by reason of any act or omission on its part mentioned in Clause 5.1 (a) to (d).
- 5.2 Notwithstanding Clause 5.1 above, if the Bank becomes insolvent, the Merchant hereby

agrees to indemnify the MyDebit Operator from all claims, losses, damages, penalties, suits, costs, and expenses (including reasonable legal fees) at all times (Clause 5.2 is only applicable for MyDebit Operator's appointed Third Party Acquirer).

- 5.3 In the event a claim is made against a party in respect of which it is entitled to be indemnified pursuant to Clause 5.1 or 5.2, that party must:
- a. Give notice of any such claim to the other party;
 - b. Consult with the other party in relation to any such claim; and
 - c. Not settle any claim without obtaining the prior written consent of the other, such consent not to be unreasonably withheld.
- 5.4 The Bank is not liable to the Merchant for any loss or damage suffered by the Merchant as result of the delay or disruption caused by any system failure beyond the Bank's reasonable control.
- 5.5 For the purpose of this clause, loss or damage includes any consequential or economic loss or damage.

6. SUSPENSION AND TERMINATION

SUSPENSION

- 6.1 The Bank reserves the right to suspend the participation of the Merchant in the MyDebit Services by giving notice in writing specifying the suspension date and any conditions applicable to the suspension, under the following circumstances:
- 6.1.1 The Bank has determined that the Merchant breached these Additional Terms and Conditions for MyDebit Services or any applicable rules, guidelines, regulations, circular or laws;
 - 6.1.2 The Merchant fails to remedy the breach described in Clause 6.1.1 to the Bank's satisfaction;
 - 6.1.3 The Bank has determined that the Merchant has inadequate operational controls or insufficient risk management processes, resulting in potential threats or risks to the stability, integrity, safety, security and efficiency of the MyDebit Services;
 - 6.1.4 A Court order has been granted which affects the legal status of the Merchant;
 - 6.1.5 An application is made to the court either voluntarily or involuntarily for an order that the Merchant be wound up;
 - 6.1.6 The Merchant is deemed unable to pay its debt and should be wound up under statutory laws;
 - 6.1.7 The Merchant is suspected on reasonable grounds that it is facilitating, involved in,

has committed or will commit fraudulent act(s) in connection with the MyDebit Services;

6.1.8 The Bank has received complaints from other Merchant(s), other bank(s), Issuers of Cards or Cardholder that the Merchant is engaging in fraudulent activity in connection with the MyDebit Services; or

6.1.9 The Merchant has been suspended from the MyDebit Services by other bank(s) due to breach of provisions of these Additional Terms and Conditions for MyDebit Services or any applicable rules, guidelines, regulations, circular or law.

6.2 Upon suspension of the Merchant's participation in the MyDebit Services:

6.2.1 The services provided under MyDebit Services will be suspended immediately;

6.2.2 The Merchant will no longer be able to offer MyDebit Services;

6.2.3 The Merchant will stop accepting payments from the Bank/ MyDebit Operator (through DMS);

6.2.4 The Merchant must cease all promotional and advertising that is related or can be perceived to be related to MyDebit Services;

6.2.5 The Merchant must remove all MyDebit Brand from the Merchant's marketing collaterals, channels and website; and

6.2.6 The Merchant must take all reasonable steps to comply with any directions of the Bank to minimise the impact on Cardholder of the suspension.

TERMINATION

6.3 The Bank, as the case may be, reserves the right to terminate the Merchant's participation in the MyDebit Services under the following circumstances, which includes, but not limited to:

6.3.1 These Additional Terms and Conditions for MyDebit Services between the Merchant and the Bank is terminated or expired;

6.3.2 The Bank has determined that the Merchant has breached these Additional Terms and Conditions for MyDebit Services, or the terms and conditions stipulated in the MyDebit Merchant Registration Form, or any applicable rules, guidelines, regulations, circulars or laws;

6.3.3 The Merchant fails to remedy or take adequate steps to remedy its default under these Additional Terms and Conditions for MyDebit Services to the satisfaction of the Bank within a time period as specified in the notice of the default given by the Bank;

6.3.4 The Bank has determined that the Merchant has inadequate operational controls or

insufficient risk management processes resulting in potential threats to the stability, integrity, safety and efficiency of the MyDebit Services;

6.3.5 A Court order has been granted which affects the legal status of the Merchant;

6.3.6 An application is made to the court either voluntarily or involuntarily for an order that the Merchant be wound up;

6.3.7 The Merchant is deemed unable to pay its debt and should be wound up under statutory laws; or

6.3.8 The Bank's membership in the MyDebit Services or RENTAS is terminated or suspended and the Merchant has not appointed a replacement bank.

6.4 Upon termination of the Merchant's participation in the MyDebit Services, the Merchant must cease all promotional and advertising that is related or can be perceived to be related to the MyDebit Services.

6.5 Termination of the Merchant's participation in the MyDebit Services shall not extinguish any outstanding right or liability arising under these Additional Terms and Conditions for MyDebit Services and the Merchant Services Terms and Conditions or the terms in the Operational Procedures for MyDebit which is applicable to the Merchant as reflected in these Additional Terms and Conditions for MyDebit Services.

7. ADVERTISEMENT AND USE OF LOGO

7.1 The MyDebit Operator owns all rights, titles and interest in the MyDebit Brand and the MyDebit Operator and/or the Bank may specify and may at any time amend the requirements relating to the use and/or display of the MyDebit Brand.

7.2 The Merchant shall comply with the requirements, process and/or guidelines prescribed by the MyDebit Operator based on the MyDebit Brand Guidelines.

7.3 The Merchant must use the appropriate denotation or legend of trademark registration or ownership in connection with MyDebit Brand, as required or consented to by the MyDebit Operator and/or the Bank.

7.4 The Merchant shall only use the MyDebit Brand for the sole purpose of publicising, indicating and advertising that the Merchant accepts payment requests through the MyDebit Services.

7.5 The MyDebit Operator and/or the Bank have the right to direct the Merchant to make changes to their use of the MyDebit Brand to rectify any non-compliance or potential non-compliance.

7.6 The MyDebit Operator through the Bank may at any time direct a Merchant to cease using the MyDebit Brand where such use is in breach of these Additional Terms and Conditions for MyDebit Services or the terms in the Operational Procedures for MyDebit which is applicable to the Merchant as stipulated in these Additional Terms and Conditions for

MyDebit Services.

- 7.7 The Merchant must not use the MyDebit Brand in such a way to create an impression that the goods or services offered by the Merchant are sponsored, produced, offered or sold by the owner of the MyDebit Brand. The Merchant must not adopt "MyDebit" or any other MyDebit Brand as any part of the name of its business or apply it to any goods or services offered for sale.
- 7.8 The Merchant must immediately on becoming aware of any infringement or potential infringement of the MyDebit Brand, notify the Bank.

8. FEES

- 8.1 The Merchant shall pay the Merchant Discount Rate and/or Fee on transactions at the rate notified by the Bank and agreed to by the Merchant from time to time.

9. DISCLAIMER

- 9.1 The MyDebit Operator and Bank shall not be liable for any claims, actions, demands, costs, expenses, losses, and damages (actual and consequential) including legal costs that are incurred or suffered by the Merchant arising out of or caused by the Bank in connection with the operations and services provided by the Bank in the MyDebit Services. The Merchant agrees that it will communicate and resolve any dispute in relation to the aforesaid matters with the Bank.

10. CARDHOLDER'S DISPUTES / CLAIMS

- 10.1 If any dispute between the Cardholders and the Merchant arises in the course of the use of the MyDebit Services, the process used to resolve the disagreements among Cardholders and the Merchant shall be based on the Debit Card policy document by Bank Negara Malaysia.
- 10.2 The Merchant shall furnish information and assist the Bank to facilitate investigations related to Cardholder's disputed transactions, fraudulent transactions and requests for refunds in accordance with the following process and timelines.
- 10.3 If a valid request to recover funds was received by the Merchant within sixty (60) Calendar Days of the Cardholder's MyDebit payment, the Merchant shall address the Cardholder's disputes / claims to the Cardholder's satisfaction.
- 10.3.1 The Cardholder may submit requests for refund to the Merchant after MyDebit payment has been made, for the following reasons:
- a. Goods or services purchased were not provided or rendered due to the Merchant's non-performance or insolvency; and/or
 - b. the Cardholder's bank account was erroneously debited multiple times for a single purchase or charged with an incorrect amount by the Merchant.

10.3.2 Upon receiving a request for refund, the Merchant shall respond to all requests for refunds within seven (7) Business Days of receipt. The Merchant shall ensure that the refund claims are addressed within the seven (7) Business Days timeframe.

10.4 The Merchant may provide concrete evidence to contest the claim. Evidence may include proof of delivery, certification from suppliers on the authenticity of goods, or other documentation to demonstrate the Merchant's performance of its obligations. If the Merchant is unable to furnish evidence within the timeframe specified in Clause 10.3.2 or the evidence does not conclusively refute the Cardholder's refund claim, the Merchant is required to refund the purchase proceeds to the Cardholder within three (3) Business Days. Evidence furnished by a Merchant to refute a refund claim is deemed to be sufficient if both the Issuer and the Bank is fully satisfied that the Merchant has adequately demonstrated that the Merchant has performed its obligations.

10.5 If the Merchant is not able to adequately refute a refund claim in accordance with Clause 10.4, the Bank shall have the right to debit any of the Merchant's account(s) maintained with the Bank for the recovery of the disputed sum, either entirely or partially.

11. DISPUTE RESOLUTION

11.1 The Bank and Merchant shall establish a mechanism for resolution of dispute transactions.

11.2 All decisions rendered by the MyDebit Operator in response to complaints from the Merchant shall be binding on the Bank.

11.3 Referring allegations of non-compliance to the MyDebit Operator does not preclude the right of the Merchant to take the dispute to the respective industry arbitration or mediation bodies.

12. CONFIDENTIALITY

12.1 The Merchant shall treat any information it receives or possess as result of these Additional Terms and Conditions for MyDebit Services, as confidential and will not use such information other than for the purposes which it was given.

12.2 The Merchant shall ensure that their employees, representatives and suppliers comply with the confidentiality requirements at all times.

12.3 The Merchant's obligations as to confidentiality shall survive the expiration or termination of their access in the MyDebit Services or these Additional Terms and Conditions for MyDebit Services.

12.4 Clause 12.1 shall not apply to information which:

- a. is lawfully obtained by the Merchant from third parties without any obligation by the Merchant to maintain the information proprietary or confidential;
- b. is independently developed by the Merchant without reference to or by using the Bank's or the MyDebit Operator's information;

- c. is required to disclose or divulge by any court, tribunal, governmental or authority with competent jurisdiction or by any statute, regulation or other legal requirement, take-over panel or other public or quasi- public body as required by law and where the Merchant is required by law to make such disclosure. The Merchant shall give notification to the Bank as soon as practical prior to such disclosure being made.

13. PERSONAL DATA PROTECTION

- 13.1 The Merchant consents to the provision and use of information supplied to the MyDebit Operator and/or the Bank in connection with the MyDebit Services. The Merchant further agrees to notify the MyDebit Operator and/or the Bank in writing of any update to any such information as soon as it is aware that the information so supplied in connection with the MyDebit Services has become out-dated.
- 13.2 The Merchant agrees to comply with the Personal Data Protection Act 2010 of which it is bound and shall not do any act that will cause the Bank, Issuer and MyDebit Operator to breach any personal data protection laws.

14. FORCE MAJEURE

- 14.1 The Bank shall not be liable to the Merchant for any loss or damage (including direct or consequential), for failure to observe or perform its obligations under these Additional Terms and Conditions for MyDebit Services for reasons which could not be reasonably or diligently controlled or prevented by the Bank, including but not limited to, strikes, acts of God, acts of nature, fire, flood, storm, riots, power shortages or power failure, power disruption by war, sabotage or inability to obtain sufficient labour, fuel or utilities.

15. FRAUD AND SECURITY

- 15.1 The Merchant shall also comply with all applicable laws of Malaysia in relation to fraud.
- 15.2 In the interest of safeguarding the integrity of the MyDebit Services, the Merchant shall grant the MyDebit Operator and/or the Bank the authority to direct the Merchant to take any measure that the MyDebit Operator and/or the Bank deemed as necessary to detect, mitigate, resolve and prevent fraudulent acts, actual and suspected. The Merchant receiving such a directive shall promptly comply with the directive.

16. VARIATION AND WAIVER

- 16.1 The Bank may change the terms of these Additional Terms and Conditions for MyDebit Services at any time to ensure compliance with the Operational Procedures of the MyDebit Operator and such change shall take effect from the date specified in the notice issued by the Bank.
- 16.2 Any provisions herein cannot be waived except in writing signed by the party granting the waiver.

17. DEFINITIONS AND INTERPRETATION

17.1 Definitions of frequently used terms in these Additional Terms and Conditions for MyDebit Services are as follows:

Term	Description
Cardholder	A person who holds MyDebit card issued by an Issuer that maintains the accounts (i.e. Savings / Current) that could be accessed by such card.
DMS	Direct Merchant Settlement is a system which facilitate settlement process directly to the merchant.
Issuer	Financial Institution authorized by Bank Negara Malaysia to issue MyDebit cards.
Merchant	A person or business entity who has been authorized by an Acquirer to accept card payments via installed MyDebit Terminals for sale of goods and services.
MyDebit Brand	The brand, icon, logo and marks for MyDebit.
MyDebit Operator	The payment system operator for MyDebit service i.e. Payments Network Malaysia Sdn Bhd.
MyDebit Services	A card payment scheme that allows MyDebit Cardholders to purchase goods / services and withdraw cash at participating Merchant's outlets by debiting directly from the Cardholders' nominated savings / current account.
Operational Procedures	The Operational Procedures for MyDebit which are prescribed and issued by MyDebit Operator and will include any variation, addition, amendment or modification made from time to time.
Participant	Participant as defined in the Participation Rules, acting as Issuer / Acquirer / Third Party Acquirer.
PIN Pad	An electronic device used in any physical card-based transaction to accept and encrypt Cardholders' personal identification number (PIN).
Terminal	An information processing device through which MyDebit transaction