

TERMS AND CONDITIONS OF MERCHANT SERVICES

The following Terms and Conditions are governed by and construed in accordance with the applicable laws of Malaysia, rulings of the Shariah Advisory Council of Bank Negara Malaysia ("BNM") and Shariah Committee of Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat" or "the Bank"), terms and conditions of Bank Rakyat and banking regulations effective from the issuance date of Merchant Services Letter of Offer issued to you.

By signing the acceptance to the Letter of Offer, you agree to accept the Merchant Services Terms and Conditions stipulated herein. You further agree to comply with and be bound by this Terms and Conditions as notified to you as such may be amended from time to time.

Now it is hereby agreed as follows: -

A) TERMS AND CONDITIONS

These Terms and Conditions ("Terms and Conditions") should be read together with the following:

- (i) Merchant Application Form
- (ii) The Letter of Offer including Acceptance;
- (iii) Operating Policies and Procedures of PayNet (the Bank may notify you from time to time);
- (iv) Any Additional Services Schedules set out in the Letter of Offer and Acceptance and the applicable Additional Service Schedule which contain the specific terms and conditions and operating instructions for the Additional Service(s);
- (vii) any documents relating to the Security (where applicable).

It is advisable that you read all documents comprising the Terms and Conditions.

B) DEFINITION

This expression	Means
"Account"	means the respective bank account(s) maintained by the Merchant at Bank Rakyat to which charges payable by you under the Terms and Conditions may be debited.
"Application"	The form you have completed and submitted to us to participate in the Card Service.
"Authorisation"	The process of obtaining an authorization from Bank Rakyat for a transaction which usually identified with an alpha numeric / numeric code prior to completion of the transaction in which a Card is being utilized.
"BANK RAKYAT" "the Bank" "we" "us" "our"	Bank Kerjasama Rakyat Malaysia Berhad (Company No. 2192), having its registered address at 35 th Floor, Menara Kembar Bank Rakyat, Menara 1, No 33 Jalan Rakyat, 50470 Kuala Lumpur.
"Business Day"	Any day on which Bank Rakyat is opened for business in Kuala Lumpur.
"Cardholder"	Any person authorised by any Issuer to enjoy the Cards facilities whose name shall be embossed on the Card and where applicable, whose signature appears thereon as the authorised user.
"Card Service"	The Bank Rakyat Card Service.

"Cards"	Credit Cards, Debit Cards, Debit Cards, Prepaid Cards and/ or any other Cards to be issued by the Issuer from time to time with magnetic stripe features and/or embedded with the MasterCard, ("EMV") compliant chip and any other chip cards to be accepted by the Merchant under the terms of this Terms and Conditions as further described in the Letter of Offer.
"Card Scheme"	means any scheme established to manage and establish standards and procedures for the issuance and acceptance of the Cards and the settlement of Transactions and includes any other payment industry body notified to you by us from time to time.
"Charges"	Purchases which cardholders make in person, by mail, telephone or by any other method with the Cards and any amounts incidental to such purchases including taxes or duties, delivery charges and gratuities.
"Credit Voucher"	The relevant slips, forms or papers supplied by Bank Rakyat to the Merchant for the purpose of charging the Merchant's account and crediting a Cardholder's account with the Issuer for the amount shown thereon.
"Credit Card"	A validly issued and unexpired credit card of MasterCard bearing the MasterCard Program Marks name/trademark/service mark /logo and may include new credit cards duly authorized by Bank Rakyat bearing magnetic stripe features and/or embedded with the EMV compliant chip.
"Debit Card"	A validly issued debit card of Bankcard/ /MEPS E-POS/ bearing the Bankcard Marks or MEPS E-POS Marks, validly issued by any banking or financial institution as the case maybe and may include new debit cards duly authorised by Bank Rakyat.
"e-Commerce"	Electronic Commerce is the exchange of goods and services for payment made between the Cardholder and Merchant when all of the transactions are performed via electronic communications.
"Full Recourse"	Our right to payment from you of the full amount of the Charge as set out in these Terms and Conditions.
"Issuer"	Any bank or financial institution who are members of MasterCard International or other organisation or institution who are authorised to issue Cards to which Bank Rakyat is a member.
"Laws"	Subject to Clause 16.1 and includes any law, statute, regulation, ordinance, proclamation, by-law or statutory instrument or order, including codes of conduct issued by regulatory bodies, MasterCard International's Payment Card Industry (PCI) Security Standards or any Card Scheme Regulations.
"Letter of Offer"	The letter(s) of offer setting out specific terms on Merchant Services , which is issued by Bank Rakyat and duly accepted by the Merchant from time-to-time which letter(s) shall be an integral part of this Terms and Conditions.

"Merchant" "You" "your"	Any retailer or other person, firm or corporation, its employees, servants or agents which pursuant to a Merchant Terms and Conditions agrees to accept or cause its offices, outlets and locations in Malaysia to accept Cards when properly presented.
"Merchant Discount"	Fee chargeable by Bank Rakyat to the Merchant at the agreed rate in percentage of the value of the Cards' transactions as further described in the Letter of Offer.
"Merchant Number"	The unique identification number assigned by Bank Rakyat to the Merchant under the terms of this Terms and Conditions for each of the Merchant Services Terms and Conditions or/and outlets as the case may be as further mentioned in the Letter of Offer and/ or Application.
"Merchant Services Terms and Conditions"	A facility granted by Bank Rakyat to the Merchant under the terms of this Terms and Conditions as further described in the Letter Of Offer and may include any of the following :-
(a) "Mail Order Transaction Acceptance"	A Credit Card transaction performed via mail upon submission of an Authorisation Payment Form by Cardholder to the Merchant.
(b) "Telephone Order Transaction Acceptance"	A Credit Card transaction performed via telephone through the use of an Authorisation Payment Form.
"PIN"	In relation to a Cardholder, the Personal Identification Number which an Issuer has issued to the Cardholder which is to be used by the Cardholder to authorise any transaction.
"Pin Pad"	A device which is connected or is part of the EDC Terminal where the Cardholder authorises the transaction by entering his/her PIN on the Pin Pad.
"POS Terminal"	Point-Of-Sale (POS) terminal is an electronic device located in or at a merchant's premise that enables a customer to effect a transaction for the purchase of goods or services using a payment instrument.
"POS Transaction Acceptance"	A card transaction performed through point-of sales terminals.
"Prepaid Card"	A validly issued Prepaid Card issued by any banking or financial institution as the case maybe and may include new prepaid cards duly authorized by Bank Rakyat.
"Premises"	means the various locations or location where the Merchant conduct business and are authorised by Bank Rakyat to accept the Cards.
"Referral Response"	A response received at the POS Terminal during the Authorisation process which requires the Merchant to contact Bank Rakyat for further instructions before completing the transaction.
"Settlement Function"	The procedures required of and carried out by Merchant via an POS Terminal for the purpose of transmitting data of charges to the Bank to enable the Bank to make payment to the Merchant.

"Split Sales"	Merchant avoids obtaining a single Authorisation by preparing two or more transaction receipt (splitting the transaction).
"Security"	Means any guarantee or guarantee and indemnity or bill of sale, mortgage, charge, letter of credit, deposit, any authority to appropriate and set-off deposits or any other security that we may request from you to provide to us in the Letter of Offer or under Clause 21 herein.
"Transaction"	Includes a sales transaction (being the supply of goods or services or both), refund transaction or cash transaction in which a Cards or a card number of a Cards is used and which is processed by you manually or electronically.
"Transaction Slips"	Any or all of the following :-
(a) "Authorisation Payment Form"	The relevant forms, notices or papers used in connection with Mail Order or/and Telephone Order transactions upon which Cardholder has in writing authorised the Merchant, Bank Rakyat and Issuer to charge the amount contained thereon to the Cardholder's Credit /Debit Card account with the Issuer.
(b) "Enrollment Form"	The relevant forms, notices or papers used in connection with the Automatic Bill Settlement Services upon which Cardholder has in writing authorised the Merchant, Bank Rakyat and the Issuer to charge the amount contained thereon to the Cardholder's Credit/Debit Card account with the Issuer.
(c) "Sales Slip"	The relevant charge slip generated electronically after the completion of each transaction arising from the use of POS Terminal evidencing purchases or services incurred by the Cardholder through the use of the Cards to be charged to the Cardholder's account.
"Terms and Conditions"	means the Terms and Conditions constituted by your acceptance of our offer on the terms and conditions set out in the Letter of Offer and Acceptance and comprising the documents referred to in Clause A, as varied from time to time.
Valid Cards	The Debit and/or Credit Card which has been issued by the Bank and other financial institution and has not expired, not been damaged or been cancelled by the Bank or Cardmember.
"Wave Card" / "PayPass"	The Credit Card issued by any commercial banks which is capable of Contactless Payment System transactions.
"Wave Reader"	A device used for the purpose of completing a sales transaction when Cardholder flash or tap the Wave Card/PayPass on it.

C) INTERPRETATION

- (i) If you consist of more than one person, the liability of those persons under the Terms and Conditions is joint and several.
- (ii) If there is an inconsistency between the following documents each forming part of the Terms and Conditions, the following order prevails:
 - (a) Letter of Offer and Acceptance; and
 - (b) these Terms and Conditions.

In the event there is an inconsistency between your Letter of Offer and Acceptance and these Terms and Conditions or the Merchant Operating Guide, these Terms and Conditions shall prevail.

- (iii) A reference to an individual or person includes a reference to a company and any other entity the Law recognises.
- (iv) The singular includes the plural and vice versa.
- (v) A reference to the Terms and Conditions or any document forming part of the Terms and Conditions, or any Law is a reference to the Terms and Conditions, document or Law as amended, novated, supplemented, replaced or re-enacted.
- (vi) A reference to "mail" includes information sent or received by facsimile or email.
- (vii) The meaning of general words is not limited by specific examples introduced by "including", "for example" or similar expressions.
- (viii) A reference to a 'clause' is to a clause in these Terms and Conditions

1.0 FACILITY**1.1 Honouring The Cards**

- 1.1.1 The Merchant agrees and confirms that it shall permit and accept payment by the Cardholders using any of the Cards as authorised by Bank Rakyat pursuant to this Terms and Conditions as stated under the Letter of Offer and in accordance with the terms and conditions of this Terms and Conditions.
- 1.1.2 The merchant agrees and confirm Bank Rakyat that shall honour without discrimination Cards when properly presented to it as means of payment form Cardholder and shall maintain a policy that shall not discriminate among Cardholders seeking to make purchases of the merchant's goods and/or services at the Merchant's Premises or from the Merchant through the use of Cards.
- 1.1.3 The Merchant agrees to not Debit Cardholder any additional fees, increase your price or otherwise discriminate against the Cards or Cardholder, and, if you do, we reserve the right to recover any such amount from you.
- 1.1.4 The Merchant will honour the Card and will not attempt to impose any restrictions or conditions on the use or acceptance of the Cards.

2.0 COMPLETION OF TRANSACTION & MERCHANT DISCOUNT**2.1 POS TRANSACTION ACCEPTANCE**

When a Card is presented to the Merchant of payment, in accepting and honouring the Card, the Merchant shall ensure that the following acceptance procedures are strictly observed and complied with:-

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- a) The merchant shall examine MasterCard Marks, VISA Marks or MyDebit Marks or MEPS E- POS Marks or any security or distinctive features of the Card;
 - b) The Merchant shall ensure that the Card so presented is valid and unexpired;
 - c) The Merchant shall ensure that the Card so presented have not been altered and mutilated;
 - d) If the Card bears the photograph of the Cardholder, the Merchant shall ensure positive identification of the Cardholder and where there are doubts, the merchant shall contact Bank Rakyat for instructions;
 - e) All transactions shall be drawn in Ringgit Malaysia only.

2.2 MERCHANT DISCOUNT

- 2.2.1 Bank Rakyat will charge the Merchant a base Merchant Discount rate for each Transaction performed via the use of POS Terminal as per the rate mentioned in the Letter of Offer.
- 2.2.2 The Bank is expressly authorised to deduct the relevant Merchant Discount, Fee and/or other sums of money (if any) owed to it, arising from the merchant services, from the Merchant's sales proceeds before paying over monies which are due to the Merchant.
- 2.2.3 In addition to the Bank's rights under Clause 2.2.2, and where the Merchant's sales proceeds are insufficient, the Merchant also expressly authorises the Bank to debit or cause to be debited from the Merchant's Designated Account all the relevant Merchant Discount, Fees and other sums of money (if any) due to it, arising from the merchant services. The Bank does not have to obtain the Merchant's prior approval (written or otherwise) before the debit is made but will notify the Merchant of the debit made.
- 2.2.4 Notwithstanding the Letter of Offer or anything mentioned in this Terms and Conditions, Bank Rakyat may at any time at its absolute discretion to change the base Merchant Discount pricing based on the prevailing MasterCard Worldwide credit card interchange rates.

2.3 MERCHANT TO ONLY ACCEPT VALID CARDS

- 2.3.1 A Merchant shall ensure that only Valid Cards are accepted through a Terminal. If the Merchant suspects or ought to have suspected that the Card presented to it is not valid, the Merchant must contact the issuer of the card to verify the validity of the Card. Such Card shall not be honoured by the Merchant unless positively and expressly verified by the Bank. If such a Card has been verified by the Bank to be valid, the Merchant must record on the Receipt the Bank's authorization code and such other particulars as are deemed relevant by the Bank to evidence such authorization.
- 2.3.2 If the Merchant believes or suspects a Card presented to it is forged or stolen, the Merchant shall, without at any time informing the Cardholder or purported Cardholder or arousing his suspicions:
 - (a) not process the Card transaction;
 - (b) immediately inform the Bank by telephone at the telephone number(s) notified to the Merchant by the Bank for such purpose; and
 - (c) comply with the instructions (which may include a request to retain the Card) given to it by the Bank.

2.4 POS TERMINAL TRANSACTION ACCEPTANCE

2.4.1 For POS Terminal Transaction Acceptance, the merchant shall also ensure that the following acceptance procedures are strictly observed and complied with:-

- a) The Merchant shall process all transaction irrespective of through the use of POS Terminal at all times.
- b) The Merchant shall ensure all the Cards so presented for the transactions are inserted using the POS Terminal where an Authorization shall be granted or declined electronically online. Only an approved transaction shall be accepted by the Merchant. It is mandatory that the Merchant process all EMV chip card presented by the cardholder via EMV chip card acceptance procedures.
- c) When a signature based Card is being utilized, the Merchant shall obtain the signature of the Cardholder in the appropriate place of the Sales Slips and shall always compare to ascertain that such signature shall be identical to that appearing on the Cardholder's Card and if such identification is uncertain, or in the event of the signature differs or in the event the Merchant believes there to be a discrepancy in the signature, the Merchant shall contact Bank Rakyat for instructions.
- d) As prompted by the terminal, when a pin based Card is being utilized, the Merchant shall ensure that the Cardholder enters his/her PIN via the PIN Pad/key pad to authorize the completion of charges and shall ensure that the cardholder's PIN is not compromised at all times.
- e) The contactless Cardholder shall be allowed to flash or tap their contactless Card on the Wave Reader to initiate processing of the payment transaction; and they shall not be required to hand their Wave Card to the Merchant. The Merchant is not required to obtain the signature of the Cardholder on Sales Slip.

2.4.2 Merchant's Undertakings (General)

2.4.2.1 The Merchant must NOT:-

- (a) provide cash or cash advance against presentation of a Card unless it is with the written approval of the Bank;
 - (b) receive any additional payment from a Cardholder / customer with respect to charges for goods and/or services already included in a Receipt;
 - (c) in case of a Transaction, request for any advance or additional payment either in cash or by cheque;
 - (d) require a minimum transaction amount below which the Merchant shall refuse to accept payment for the Transaction; and
 - (e) collect separately from the Cardholder / customer any tax required to be collected and the Merchant shall include such value in the Receipt or debit request.
 - (f) cause a disturbance, breach any peace or injure any person or property, or make any defamatory statement or act illegally or unlawfully in any way, and the Bank shall not be liable for any such acts of the Merchant
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2.4.3 CREDIT CARD TRANSACTIONS (other than EMV Credit Cards and Contactless Credit Cards transactions)

2.4.3.1 For Credit Card transactions (other than EMV Card or Contactless Credit Card transactions):-

- (a) Subject to the Merchant verifying the validity of the Credit Card at the time of sale, the Merchant may rely on the Bank's authorisation code to complete the relevant transaction.
- (b) If the Merchant knows or has reasons to suspect that: -
 - (i) the Credit Card presented may be forged or stolen; and/or
 - (ii) the transaction may be irregular, not genuine or fraudulent

the Merchant must first obtain the Bank's specific authorisation BEFORE completing the transaction and without the Bank's specific authorization the Merchant MUST NOT present the Receipt to the Bank for payment or execute the Settlement Function.

- (c) A Receipt drawn up to evidence a transaction must contain the Credit Card details, the Merchant details, the Bank's authorisation code and the Cardholder's signature which conforms to the signature appearing on the Credit Card.

2.4.4 DEBIT CARD, EMV CARD AND CONTACTLESS CARD TRANSACTIONS

Debit Card Transactions

2.4.4.1 For Debit Card transactions:-

- (a) The Terminal device must be properly used by the Merchant so that a Receipt is produced to evidence a transaction.
- (b) The Merchant must ensure that the Cardholder is given privacy to enter his PIN securely when performing any transaction. Multiple transactions must not be carried out without re- entering the PIN for each transaction.

EMV Card Transactions

2.4.4.2 For EMV Card transactions:-

- (a) The Merchant shall use the Terminal to verify the EMV Card using the chip where either an Approval Code will be granted or the transaction will be declined. If the Merchant is unable to verify the EMV Card from the chip after several attempts, as indicated by the Terminal, the Merchant may verify the validity of the EMV Card from the data stored in the magnetic strip embedded in the EMV Card.
- (b) Once the EMV Card has been verified, the Merchant shall complete the transaction as indicated on the Terminal:-
 - (i) when a pin based EMV Card is being utilised, the Merchant shall request the Cardholder to enter his/her PIN via the PIN Pad to authorise the completion of the charges and the Merchant shall comply with Clause 2.4.4.1(b) above; or
 - (ii) when a signature based non-EMV Card is being utilized, the Merchant shall ask the Cardholder to sign his signature on the Receipt. The Merchant must make sure that the signature is identical to the sample signature that appears on the Cardholder's EMV Card. If the Merchant

believes there is a discrepancy in the signature, the Merchant must contact the Bank for instructions and not proceed with the transaction.

Contactless Card Transactions

2.4.4.3 For transactions carried out using the Contactless Feature of the Contactless Card: -

- (a) The Merchant will allow the Cardholder to tap or wave the Contactless Card at the Contactless Terminal to effect the Card Transaction.
- (b) The Receipt issued for a transaction using the Contactless Feature should contain the Credit Card details, the Merchant details, the Bank's authorisation code. No signature is required on the Receipt. If requested, a copy of the Receipt is to be handed over to the Cardholder.
- (c) The sum transacted using the Contactless Feature cannot exceed the sum specified by the Bank ("Contactless Limit"). For any transactions that exceed the Contactless Limit, the signature or PIN Verification of the Cardholder is required to evidence the Cardholder's authorization.

Splitting of Transactions

2.4.4.4 The purchase of goods and/or services by the Cardholder on any one occasion from the Merchant regardless of their combined values shall constitute a single transaction. The Merchant must not split up the transaction by using two or more Receipts to avoid obtaining the Bank's single authorization for the transaction or to bypass the Contactless Limit. A single transaction may only be split and recorded in two or more Receipts if the goods and/or services are to be delivered or performed at a later date and one Receipt is completed to evidence the payment of a deposit and the second Receipt is completed when Cardholder has to pay the balance.

2.4.4.5 Where a single transaction can be split, the Merchant must first obtain the Bank's specific authorisation for the split BEFORE it performs the transaction and the Merchant must record on the Receipt the authorisation code, the date of the transaction, details and prices of the goods and/or services as well as the words "deposit" or "balance" as appropriate.

2.4.4.6 The Receipt containing the description "balance" shall not be presented to the Bank for payment until the goods have been delivered or the services performed.

Completion Of Card Transactions

2.4.4.7 Once the Terminal Receipt is issued (and if required, duly signed), the Merchant shall give the Cardholder his copy of the Receipt (save and except that for contactless card transaction, the Merchant only needs to give the Cardholder his copy of Receipt if requested by the Cardholder) and keep the duplicate. The Merchant must keep the duplicate of all Receipts for a period of at least eighteen (18) months from the date of the transaction and provide the duplicate to the Bank within seven (7) Calendar Days from the Bank's request.

2.4.4.8 The Merchant must not make any alteration to the Receipt. Any alteration shall render the Receipt invalid.

2.4.4.9 If the Bank has reasonable grounds to believe the Receipt is irregular (whether by forgery or otherwise or the transaction violates laws or rules of any

governmental agency, or if the Bank receives a written statement from the Cardholder denying the transaction) ("Irregular Receipt"), such Receipt shall be invalid.

2.4.4.10 Without prejudice to Clause 2.4.4.9: -

- (a) if the Bank is the issuer of the Card for the Irregular Receipt, the Bank may withhold payment up to six (6) months from the date of presentation of the Irregular Receipt ("Initial Withholding Period") for investigation. If the Bank finds out that the Irregular Receipt is actually legitimate, the Bank shall make payment for it free of profit rate. If the Bank cannot complete its investigations during the Initial Withholding Period, the Bank may lodge a police report against the Merchant and continue to withhold payment until the Bank receives the complete police investigation report. If based on the findings of the police, the Bank is satisfied that the Irregular Receipt is legitimate, the Bank shall make payment for it free of profit rate.
- (b) If the Bank is not the issuer of the Card for the Irregular Receipt, the Bank may withhold payment for the Initial Withholding Period and try to get confirmation in writing from the relevant Cardholders or the relevant Card issuers on the validity of the Irregular Receipt. If the Bank is not able to get such confirmation before the expiry of the Initial Withholding Period or the relevant Card issuer effects a chargeback on the Bank, the Irregular Receipt shall be deemed invalid. If the Bank cannot obtain confirmation in writing before the Initial Withholding Period expires, the Bank may also lodge a police report against the Merchant and continue to withhold payment until the Bank receives the complete police investigation report. If based on the findings of the police, the Bank is satisfied that the Irregular Receipt is legitimate, the Bank shall make payment for it free of profit rate.

2.4.4.11 By presenting the Bank with a Terminal Receipt or by executing the Settlement Function, the Merchant represents and warrants to the Bank that: -

- (a) The Card used was valid at the relevant time of transaction;
- (b) The Merchant has sold goods and/or services to the value stated therein;
- (c) The Merchant has not and will not be getting any additional payment or other consideration from the Cardholder for the transaction other than the value stated on the Receipt;
- (d) The Receipt has not been altered after the transaction;
- (e) If the Card includes a photograph of the Cardholder, the person presenting the Card is the same person in the photograph;
- (f) The Merchant has compared the first four (4) digits denoting the account number embossed on the face of the Credit Card with the pre-printed four (4) digits appearing immediately above the four (4) digits embossed on the Credit Card and have found them to be identical and in the case of cash advance transactions, the Merchant shall have written the four (4) pre-printed digits on the Receipt;
- (g) The authorization of the Cardholder to the transaction was not obtained fraudulently;
- (h) The Cardholder has not attempted and is not attempting to cancel the transaction with the Merchant;

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- (i) The payment by the Cardholder for goods purchased and/or services rendered is actually due; and
 - (j) The transaction is legally valid and enforceable by law and by these terms and conditions.
 - 2.4.5 In the event that any POS Terminal are malfunctions, breaks down or is disconnected, the Merchant shall not accept any payment made by the Cardholder through the use of any Credit/Debit Cards.
 - 2.4.6 The Merchant shall carry or perform a Settlement Function on a daily basis following the date of transaction to enable Bank Rakyat to capture all the transactions to allow Bank Rakyat to make payment to the Merchant as mutually agreed between Bank Rakyat and the Merchant as further described in the Letter of Offer. Failure on the merchant's part to perform or carry out the settlement function on a daily basis as stated above will result in penalty/compensation charges being imposed by the Card Association ie. MasterCard International. In the event Bank Rakyat becomes liable for such penalty/compensation charges and pays the same to MasterCard International, Bank Rakyat reserves the right to deduct and set off the said penalty/compensation charges from any amount due and payable Bank Rakyat to the Merchant under the terms of these Terms and Conditions.
 - 2.4.7 If payment is not received by the Merchant within seven (7) Calendar Days from the date the Settlement Function is executed or the date of the relevant Card Transaction, the Merchant must immediately notify the Bank in writing. Delay or failure from the Merchant to notify Bank in writing does not amount to mistake or breach by the Bank.
 - 2.4.8 Any discrepancies or errors arising from the settlement process, must be notified to the Bank in writing within seven (7) Calendar Days from the date of the Bank's payment, failing which the Merchant shall not hold the Bank responsible for any delay to resolve the discrepancies or errors.
 - 2.5 MAIL ORDER & TELEPHONE ORDER (MOTO) TRANSACTION ACCEPTANCE
 - 2.5.1 When a transaction is concluded by way of mail order or telephone order, in accepting and honouring the Credit Card, the Merchant shall ensure that the following acceptance procedures are strictly observed and complied with:-
 - (a) In the event of Mail Order transaction, the Merchant shall ensure that the authorisation Payment Form presented by the Cardholder is legibly completed with the following :-
 - (i) The Cardholder's Creditnumber and expiry date;
 - (ii) the transaction amount in Ringgit Malaysia (including applicable taxes);
 - (iii) the cardholder name, home/office address and home/office telephone number;
 - (iv) a description of goods sold or services rendered in detail sufficient to identify the transaction;
 - (v) the signature of the Cardholder.
 - (b) In the event of Telephone Order transaction, the Merchant shall based on the information given directly from the Cardholder complete the Authorisation Payment Form with the following :-
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- (i) the Cardholder's Credit number and expiry date;
 - (ii) the Cardholder's name, home/office address and home/office telephone number;
 - (iii) the transaction amount in Ringgit Malaysia (including applicable taxes);
 - (iv) a description of goods sold or services rendered in detail sufficient to identify the transaction.
 - (c) The Merchant shall accept only the Credit that is within the validity period expressed by the Cardholder and unexpired;
 - (d) In the event POS Terminal is provided to the Merchant in connection with the Mail Order/Telephone Order Acceptance, the Merchant shall complete the Authorisation and charging of the Cardholder's account via the used of the POS Terminal. If no POS Terminal is provided to the Merchant in connection with the Mail Order/ Telephone Order Acceptance, the Merchant shall seek Authorisation/approval from Bank Rakyat and shall write, type or print legibly the Authorisation/approval code evidencing any Authorisation to obtained on the Authorisation Payment Form before the completion of such transaction.
 - (e) The Merchant shall retain proof that the Cardholder or the Cardholder's agent signed a carrier delivery receipt for merchandise delivered to the Cardholder's billing address or delivery address. You are responsible for ensuring delivery to the appropriate Cardholder's billing address or delivery address.
 - (f) If the goods are to be collected by the Cardholder, the Credit must be presented by the Cardholder upon collection and all the provisions of Clause 2.1 above, must be complied with; and
 - (g) If a Cardholder notifies you or us of a dispute, complaint or query concerning a Charge made by Mail or Telephone Order and;
 - (i) the cardholder has not signed a Mail Order form for the goods or services; or
 - (ii) you have not obtained a signed receipt confirming delivery of goods or services to the Cardholder's billing address; then, in addition to any other rights we have under this Terms and Conditions, we are entitled to Full Recourse for the Charge. For the avoidance of doubt, we are entitled to Full recourse whether or not we have given Authorisation of the Charge.
- 2.5.2 Every Authorisation Payment Forms shall be delivered directly by the Merchant to Bank Rakyat not later than the third (3rd) Business Day following the date of the transaction for payment.
- 2.5.3 In the event of POS Terminal is provided, the Merchant shall carry or perform a Settlement Function on a daily basis to enable Bank Rakyat to capture all the transactions so as to allow Bank Rakyat to make payment to the Merchant as mutually agreed between Bank Rakyat and the Merchant as further described in the Letter Of Offer.

3.0 **BANK RAKYAT POS TERMINALS**

The following provisions apply if we supply you with the POS Terminal(s):

- a. You agree to permit us to access your premises for the purpose of installing, inspecting, repairing, servicing, or removing the POS Terminal(s) during business hours or at another mutually agreed-upon time.
 - b. You will not move or part with the possession of the POS Terminal(s) provided the proposed new location is acceptable to us at our discretion.
 - c. We will be responsible for the maintenance and repair of the POS Terminal(s). You agree to cooperate fully in our maintenance and repair efforts. Although we shall endeavor in good faith to keep the POS Terminal(s) in good repair, we shall not be liable to you for our failure to do so or otherwise for the failure of the terminal(s) to operate properly.
 - d. The POS Terminal(s) are and will remain our property at all times. The Merchant shall take reasonable care of them and return to us promptly upon our request. You also agree to take all necessary steps to prevent any person from acquiring any rights in the POS Terminal(s), and to indemnify us against any loss and expense arising from the acquisition of such rights by any person. You further agree that you shall not permit any other person to temper, reverse-engineer, or otherwise misuse the POS Terminal(s).
 - e. The Merchant agrees to reimburse Bank Rakyat an amount of RM1,500 for each lost or damaged POS Terminal and RM 135 for each lost or damaged charger, whether or not the lost or damaged resulted from causes within your control. This includes but is not limited to damage caused by:
 - i. The usage of POS Terminal(s) for purposes other than those described in these Special EDC Terms and Conditions; or
 - ii. Alterations and attachments to the POS Terminal(s) which were not previously authorised in writing by us; or
 - iii. The acts or omissions of you, your employees, agents, other representatives or contractors; or
 - iv. The negligence or otherwise improper care or operation of the POS Terminal(s); or
 - v. Other causes that display failure of you, your employees, agents, other representatives or contractors to abide item (e) above.
 - f. The Merchant shall promptly make a police report in the event of any lost or damaged POS Terminal(s).
 - g. The Merchant agrees not to assign, transfer or sell the services provided by the POS Terminal(s), not to allow any other party to use the POS Terminal(s) or to benefit from the POS Terminal(s), unless otherwise agreed to in writing by us.
 - h. The Merchant shall operate the POS Terminal(s) only in accordance with the procedures and instructions advised to you by us from time to time. We agree to train your then-current employees, agents, servants, contractors and representatives in the operation of the POS Terminal(s) at the time of installation by us. You agree to train new employees, agents, servants, contractors and representatives at your own cost after the initial training.
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- i. You must give us at least thirty (30) days prior written notice if you plan to sell, transfer, close or otherwise dispose of one or more locations at which our POS Terminal(s) are installed or if you wish us to remove POS Terminal(s) from such locations. Upon receipt of that notice, we may remove the POS Terminal(s) from the applicable locations, and we may notify you that these Special EDC Terms and Conditions shall cease to apply to such locations or generally (except in relation to antecedent transactions) and we may take such other steps as we deem appropriate.
- j. You agree to pay us for each terminal a monthly rental fee as specified on the Letter of Offer via direct debit or any other method acceptable to us and notified to you from time to time. We reserve the right to change this fee from time to time at our discretion with seven (7) days prior written notice to you.
- k. The monthly terminal rental fee shall be non-refundable, even if you cease to have any POS Terminal(s) supplied by us or upon termination of the Terms and Conditions.
- l. The Merchant shall promptly inform us of any faults and / or breakdown in the POS Terminal(s). You shall not by itself or by its agent or servant, repair or rectify or attempt to repair or rectify any such faults or breakdown in the POS Terminal(s).
- m. We shall not be responsible or liable in any way for any loss or damage or injury suffered by the Merchants arising out of or due to the breakdown or faults or delay in response by the POS Terminal(s).
- n. You shall return the POS Terminal(s) to Bank Rakyat in perfect condition upon termination of this Terms and Conditions. The Merchant shall continue to be liable for all cost for repairs or replacement if found such POS Terminal(s) returned damaged, faulty or not in satisfactory condition.

4.0 PAYMENT BY BANK RAKYAT

- 4.1 Upon Completion of a Settlement Function or receipt of Transaction Slips by Bank Rakyat (whichever is applicable), Bank Rakyat shall pay to or credit the account of the merchant with the value of each successful Card's transactions less the Discount at the agreed rate and rental fee as prescribed in the Letter of Offer. The parties further agree that the Discount rate and rental may be revised from time to time.
- 4.2 The Merchant shall be informed by written notice of the Discount to be charged for new cards.
- 4.3 Upon receipt of payment from Bank Rakyat, the merchant shall reconcile their sales records against the report provided by Bank Rakyat or any other Merchant's reconciliation methods. If discrepancies or non-receipt of payment on any of the transaction item is detected, Bank Rakyat is to be notified of the same. Such notification is to be submitted to Bank Rakyat within a period of seven (7) days following the transaction date.
- 4.4 Payment by Bank Rakyat to the Merchant shall be subject to refusal or chargeback by Bank Rakyat in accordance with Clause 5 hereof or withholding or refusal of payment under Clause 7.6.

5.0 CHARGEBACK BY BANK RAKYAT

5.1 It is hereby expressly agreed that Bank Rakyat shall be entitled to refuse payment to the Merchant or reject any Transaction Slips presented by the Merchant for payment or withhold payment on all or part of the amount of any transaction and further in the event where payment has been made by Bank Rakyat to the Merchant. Bank Rakyat may set off against Merchant's sales proceed or debit the Merchant's banking account with Bank Rakyat the relevant amount of whatever description and wherever located upon the occurrence of any of the following:-

- a) The transaction is in-completed and was or has been discovered to be illegal;
 - b) The Merchant has performed a late settlement Function or late submission of Transaction Slips for payment to Bank Rakyat as mentioned hereinbefore.
 - c) The transaction is found to be a duplicate transaction;
 - e) Credit or refund to a Cardholder has not been processed even though the Merchant has issued a Credit Voucher or Credit note to the Cardholder for the return of goods sold, services canceled, adjustment made, or otherwise;
 - f) The Cardholder's signature on the Transaction Slips is missing or differs from the specimen signature on the Card of the Cardholder;
 - g) The copy of the Transaction Slips to be presented to Bank Rakyat for payment differs from the Merchant's or Cardholder's copy;
 - h) the entries on the Transaction Slips are incomplete or illegible;
 - i) The Card concerned is found to have expired or is invalid for any reason whatsoever;
 - j) The transaction is found to be one with a "Declined Authorisation" i.e. where the Merchant has been previously notified by Bank Rakyat in response to an Authorisation/approval's request that the particular Card is not to be honoured;
 - k) The Transaction Slips were prepared by using forged Card, or by other fraudulent means;
 - l) The transaction was not entered into nor authorized by the Cardholder;
 - m) The transaction involved is a cash disbursement, cash refund or cash payment which is without the approval from Bank Rakyat;
 - n) The Merchant fails to fulfill Bank Rakyat's Request for transaction documents as stated in Clause 7.2.2 herein.
 - q) The Cardholder denies liability in respect of any transaction initiated or concluded by Mail Order or Telephone Order irrelevant whether the Merchant has observed the terms and conditions of this Terms and Conditions or obtained an Authorisation from Bank Rakyat.
 - r) The transaction has been performed by the Merchant without using the correct Merchant Number provided by Bank Rakyat as stated under Clause 7.9 herein;
 - s) The transaction has been performed by the Merchant using the Card Acceptance Facility which is not granted to the Merchant under the terms of this Terms and Conditions;
 - t) The Merchant has failed to exercise the Card acceptance procedures set out
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in Clause 2 hereinbefore and as a result Bank Rakyat has suffered loss;

- u) The merchant is identified by MasterCard International or suspected by Bank Rakyat to be the point-of-compromise (Compromising Customer Account)

5.2 Where the Merchant's ratio of Credit Card counterfeit and/or fraud volume to Credit/Debit Card total sales volume exceeds two percent (2%) or any percentage which might be set at the sole discretion of Bank Rakyat for two (2) successive month, any Credit/Debit Card counterfeit and/or fraud transactions thereafter shall be eligible for chargeback under Clause 5.1 above.

5.3 Notwithstanding the above-mentioned clauses in the event of breach or any of the other provisions Bank Rakyat reserves the right to terminate this Terms and Conditions, to refuse payment, to cause the Merchant to repay all payments whatsoever which have been made in the furtherance to this Terms and Conditions and all costs incurred in enforcing this Terms and Conditions.

6.0 SPECIAL CIRCUMSTANCES

6.1 Credit Vouchers (Refund to the Cardholder)

6.1.1 Where an amount becomes owing by the Merchant to a Cardholder, whether for the return of merchandise, services canceled, adjustment made or otherwise, the Merchant shall issue a Credit Voucher to Bank Rakyat to the amount of credit in sufficient detail to identify the transaction as stated herein under Clause 6.1.2. The Operations of this clause shall not in any way prejudice Bank Rakyat's right under Clause 5.

6.1.2 The Credit Voucher shall be completed with the following:-

- i. The Card account number and name of the Cardholder;
- ii. The date of transaction(s);
- iii. The amount of credit in Ringgit Malaysia;
- iv. A description of the merchandise to be returned, service canceled, adjustment made or otherwise.
- v. Authorised signatory of the Merchant

6.1.3 The Merchant shall deliver the said Credit Vouchers to Bank Rakyat within the third (3rd) Business Day following the date of issuance thereby authorizing Bank Rakyat to credit the account of the Cardholder concerned and to Debit the Merchant's account or set-off against the Merchant's sales proceed accordingly.

7.0 MERCHANT RECORDS

7.1 The Merchant shall at its own costs and capacity keep proper account and correct copies of all documents relating to the use of the Cards, and shall allow Bank Rakyat at any reasonable time to inspect and/or make copies of all such documents, accounts and Transaction Slips or any charge forms and shall preserve such documents and records for a period of at least twenty-four (24) month from the transaction date.

7.2 The Merchant shall provide a legible copy of the relevant Transaction Slips or any related documents upon request made by Bank Rakyat in writing to the Merchant for the purpose of Clause 5 and/or 7.6 hereof and shall be within any specific time required by Bank Rakyat.

7.3 The Merchant is obliged to provide full cooperation toward any investigations or inquiries made by Bank Rakyat relating to any of the transactions which is within the period of twenty-four (24) months from the transaction date including furnishing and delivering of transaction document to Bank Rakyat.

7.4 Prohibited Transactions

7.4.1 The Merchant shall not accept the Card nor use its participation in the Card Service for purposes of transactions other than bona fide¹ purchases by Cardholders of goods and services from you. This means, by way of example and not limitation, that the Merchant may not accept the Card for any of the following:

- i. Gambling goods or services;
- ii. Pornographic goods or services or prostitution;
- iii. Goods or services for which the provision thereof is illegal(e.g. drug trafficking)
- iv. Sales where the amounts charged do not correspond with the value of the goods or services purchased or rendered;
- v. Sales made under a name which is different from the name of the Merchant
- vi. Sales made by a third party i.e. not the Merchant;
- vii. Sales where you know or ought to know that the goods or services will be resold i.e. not for personal use of the Cardholder;
- viii. Cash;
- ix. Damages, penalties, fines, charges, costs or fees of any kind which are in addition to the value of the Charge for the goods or services originally purchased or rendered; or
- x. Goods or services which non-Shariah compliant
- xi. Amounts which do not represent a bona fide sale or goods or services at the Merchant.

7.4.2 The Merchant must not use its participation in the Card services as a means of obtaining cash for yourself by seeking payment from us for transactions where you did not supply goods or services to a Cardholder.

7.5 Withholding of Payment

7.5.1 Bank Rakyat shall have the right to withhold payment to the Merchant if any of the following circumstances occur:-

- a. In the event that irregularities are detected in respect of the Transaction Slips presented or that Bank Rakyat has reason to believe that the Transactions Slips presented have not been issued for legitimate transactions or are fraudulent or illegal, Bank Rakyat is entitled to withhold payment until Bank Rakyat has examined or verified acceptable supporting documentation specified in Clause 7.2 herein before, and in the event, the Transaction Slips are, in Bank Rakyat's reasonable opinion, not valid, no payment shall be made by Bank Rakyat
- b. The Merchant is identified by MasterCard International or any other card

¹ "Bona fide" means any statement or act is made or done without element of fraud, deceit and/or ill intention

scheme or suspected by Bank Rakyat to be the Point-Of-Compromise (Compromising Customer Account).

7.5.2 The terms in this Clause shall survive the termination of this Terms and Conditions.

7.6 Right to Set-Off and Consolidation

- a. Notwithstanding any other rights available to Bank Rakyat under this Terms and Conditions, Bank Rakyat may at its absolute discretion, and at any time without notice or assigning reason thereof, set off against Merchant's sales proceed or debit the Merchant's banking account with Bank Rakyat of whatever description and wherever located for the purpose of Chargeback under Clause 5 or towards the reduction or discharge of any sum due to Bank Rakyat by the Merchant under any of the terms of this Terms and Conditions.
- b. Notwithstanding any other rights available to Bank Rakyat under this Terms and Conditions, Bank Rakyat may at its absolute discretion, and at any time without notice or assigning reason thereof, set off against any Security or deposit provided by the Merchant to Bank Rakyat.

7.7 Suspension

Notwithstanding any other rights available to Bank Rakyat under this Terms and Conditions, Bank Rakyat shall be entitled to suspend the Merchant from accepting any Card's transaction under the terms of this Terms and Conditions with immediate effect for a period of time which shall be identified by Bank Rakyat upon the occurrence of any of the following:-

- a) In Bank Rakyat's reasonable opinion the Merchant is engaged in irregular fraudulent or illegal transactions.
- b) The Merchant is identified by MasterCard International or suspected by Bank Rakyat to be the Point-Of-Compromise(Compromising Customer Account)

7.8 Merchant Number

7.8.1 Under the terms of this Terms and Conditions, Bank Rakyat shall provide the Merchant with a Merchant Number for the following:

- a) each of the Merchant Services Terms and Conditions provided to the Merchant
- b) each of the Merchant's outlets including but not limited to the place of business, shop, counter or temporary or permanent booth where Merchant Services Terms and Conditions is/are to be made available to Cardholders.

7.8.2 In the event the Merchant wishes to extend any of the Merchant Services Terms and Conditions to its new outlet(s) or to accept new Merchant Services Terms and Conditions under the terms of this Terms and Conditions, the Merchant shall obtain prior written approval from Bank Rakyat and in the event Bank Rakyat approves such request, Bank Rakyat shall provide the Merchant with a Merchant Number for each of the Merchant's outlets and/or Merchant Services Terms and Conditions Requested. The Merchant shall ensure that all Card transactions transacted at any of the Merchant outlets and/or through any of the Merchant Services Terms and Conditions granted to the Merchant use/quote the correct Merchant Number assigned by Bank Rakyat.

8.0 COVENANTS BY MERCHANT

The Merchant hereby covenants with Bank Rakyat as follows:-

- 8.1 It shall at all times observe the guidelines and procedures on the acceptance of Cards as instructed and required by Bank Rakyat as set out hereinbefore including but not limited to the provisions in Clause 2 hereof;
 - 8.2 Unless otherwise provided by any written law for the time being in force, it shall not impose or require the Cardholder to pay any surcharge, commission, discount whether through any increase in price or otherwise, or any other term or condition whatsoever on any Cardholder desirous of using the card.
 - 8.3 It shall not require a minimum transaction amount below which shall refuse to honour otherwise valid Card;
 - 8.4 It shall include in the value of the Transaction Slips any tax or carrier charges required to be collected and shall not collect it separately in cash;
 - 8.5 It shall observe and perform all obligations under its contract with the Cardholders including but not limited to the nature, quality and delivery of goods and services contracted to be sold and supplied to the Cardholder;
 - 8.6 It shall not reveal, sell, purchase, provide or exchange the Card account number or/and PIN (where applicable) and other information in any form obtained by reason of Cards transactions to any third party;
 - 8.7 It shall obtain approval from Bank Rakyat in writing prior to any publication or advertisement of promotional materials relating to the new credit/debit cards;
 - 8.8 It shall adequately display any distinctive feature of any new credit/debit cards and MasterCard Marks or any such Marks for credit/debit that the Bank acquires from time to time and/or product names on promotional materials provided by Bank Rakyat to inform the public that the Cards will be honored at the Merchant's premises, place or business or its outlets;
 - 8.9 It shall, at all times maintain in good order and keep in safe custody all Transaction Slips, Credit Vouchers, and/or POS Terminals and/or PIN Pads supplied by Bank Rakyat which shall remain Bank Rakyat's property, and to return all such Transaction Slips, Credit Voucher, and/or POS Terminals and/or PIN Pads forthwith to Bank Rakyat upon demand and/or upon termination of this Terms and Conditions under Clause 14.
 - 8.10 Where there is uncertainty or ambiguity in the terms of this Terms and Conditions or any guidelines or requirements pertaining to the use of the MasterCard Marks or MEPS or any security or distinctive features of the new credit/charge/debit cards the Merchant shall countercheck with Bank Rakyat for its construction and meaning and the same when given by Bank Rakyat shall be final and binding.
 - 8.11 The Merchant shall use its best endeavor to promote the use of Cards and to render its cooperation to Bank Rakyat and Cardholders in connection with the use of the Cards.
 - 8.12 It shall indemnify Bank Rakyat should its employees or agents obtain with an intention to defraud the Card and/or the PIN from the Cardholder through any means.
 - 8.13 It shall indemnify and hold Bank Rakyat harmless from and against all liabilities, claims, damages, losses, costs, and expenses whatsoever, arising out of or any way
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connected to the Merchant's negligent act or commission in the operation of the Cards acceptance program.

- 8.14 It shall immediately notify Bank Rakyat if the Merchant sells, leases or transfers its business or any of the Premises.
- 8.15 It shall not charge the Cardholders any surcharge fee or impose a minimum transaction amount when the Cards are used in a Transaction.
- 8.16 The Merchant shall provide information at the point-of-sale on available channels for Cardholders to lodge complaints on surcharging and minimum transaction amount practices.

9.0 **WARRANTIES BY MERCHANTS AS TO TRANSACTION SLIPS**

The presentation of each Transaction Slips by the Merchant to Bank Rakyat shall be a warranty by the Merchant:-

- a) That every contract entered into by the Merchant with Cardholders under which a charge is made under the Cards shall fulfill all statutory or other requirements for its validity and enforceability;
- b) That at the time of the presentation of Transaction Slips, to Bank Rakyat:-
- i. The Transaction Slips are authorized by the Cardholders and/or not obtained by any fraudulent means;
 - ii. The value of the Transaction Slips evidence a bona fide sums due and owing from the Cardholder;
 - iii. The value of transaction Slips not have been assigned or charged to any third party;
 - iv. The Cardholder concerned shall not have sought to repudiate or rescind the contract;
 - v. The Cardholder concerned shall not have acquired any right of set-off or counterclaim available against the Merchant in respect of the value of the Transaction Slips;
 - vi. The Merchant shall not have agreed with the Cardholder for any extension of the contractual time for payment of the goods purchased and/or service rendered or for any waiver or modification of the terms of the contract;
 - vii. That the particulars included in the Transaction Slips submitted to Bank Rakyat shall be correct;
 - viii. The Merchant has complied with the provisions set out in Clause 2 of this Terms and Conditions

10.0 **WARRANTY AND REPRESENTATION**

- 10.1 The Merchant hereby represents, warrants, undertakes and covenants with Bank Rakyat that:-
- (a) all statements of facts within the actual knowledge of the Merchant and are true, correct and in order at all times.
 - (b) it shall not in any way involved or deal with any illegal business which may adversely affect the interest or reputation of Bank Rakyat including but not limited

to strict compliance with Section 4 of the Anti-Money Laundering and Anti-Terrorism Financing Act, 2001 of Malaysia;

- (c) it has the full capacity, power and authority to enter into this Terms and Conditions; and, during the continuance of this Terms and Conditions, will continue to have full capacity, power and authority to enter into this Terms and Conditions and resources to carry out and perform all the terms and condition mentioned in this Terms and Conditions and has already taken and will continue to take all necessary actions, (including, without limitation, obtaining all governmental and other necessary approvals/consents in all applicable jurisdictions) to authorize the execution, delivery and performance of this Terms and Conditions;
 - (d) it has been provided with sufficient information to ascertain the scope of these Terms and Conditions and has satisfied itself that it has in its possession all necessary and relevant data, information and computer software, together with all necessary licenses and intellectual property rights for the use thereof, reasonably required by Bank Rakyat for the purpose of performance of this Terms and Conditions;
 - (e) it shall undertake to abide by and shall ensure that its employees or contractors perform the requirement under this Terms and Conditions faithfully and fully and shall at all times comply with a code of conduct known as the Code of Practice, Ethics & Conduct herein mentioned below:
 - i. At all times, act promptly, diligently, and in a manner that is legal, ethical and reasonable, and which is in accordance with accepted business practice.
 - ii. must not communicate with the Cardholder in a threatening or abusive manner.
 - iii. at all times, as the case may be must not sign any document and/or application on behalf of the Merchant, even if explicitly requested or authorized by the said Merchant.
 - iv. strictly forbidden to collect any annual fee, service charges, other fees or compensation from the Cardholder.
 - v. must strictly observe and follow the notification from Bank Rakyat.
 - vi. must never copy or duplicate the Cardholder's personal data or information, for personal reference or use.
 - vii. as the case may be are bound by the secrecy declaration and confidentiality clause, never to disclose any confidential data of the Cardholder, to a third party, unless authorized in writing by Bank Rakyat or required by any subsisting and valid law in force.
 - viii. In the event of detection or knowledge of any dishonest practices within the merchant workplace, the Merchant is obliged to inform Bank Rakyat at the earliest instance.
 - ix. as the case may be must not give any false report to Bank Rakyat.
 - x. unless permitted by Bank Rakyat, must never talk to the media, on any Bank Rakyat matters, be it implied or otherwise.
 - xi. should ensure that all transactions are promptly and accurately recorded, and advised to Bank Rakyat.
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- xii. should ensure that all complaints received are made known to Bank Rakyat and handled promptly and satisfactorily
 - xiii. shall ensure its employee or contractor be presentable at all times, with regard to dress, personal hygiene, language, etc., in keeping with the professional public image. shall report any transactions that they deem to be suspicious, irregular or to be in violation of any law or regulation or of the code of conduct, and where necessary, shall assist in any investigation conducted by Bank Rakyat in relation thereto.
 - xiv. shall ensure its employee or contractor at all times maintains the confidentiality of all information in respect of the Merchants and their proposed transactions and relationship with Bank Rakyat.
- (f) the Merchant has the necessary skills, knowledge, experience, expertise, required capital, net worth, adequate and competent employees or agents, systems and procedures, infrastructure, including adequate office space, and capability to duly perform an obligation under this Terms and Conditions to the satisfaction of Bank Rakyat;
 - (g) the execution of these Terms and Conditions and the provision of these Terms and Conditions, does not and will not violate or breach any covenants, stipulations or conditions of any Terms and Conditions or deed entered into by the Merchant with any third party; and
 - (h) save and except as expressly permitted by Bank Rakyat in writing, not to at any time use and/or deal with the name and/or trademark and/or logo of Bank Rakyat in any sale or marketing or advertisement or make any public statement, announcement or communication for matters relating to this Terms and Conditions in any manner whatsoever.
 - (i) The Merchant shall perform the obligation set out in this Terms and Conditions in compliance with the requirements of Bank Negara Malaysia, MasterCard Worldwide and other relevant authorities, all laws, regulations, rules and guidelines and regulatory requirements affecting the provision of this Terms and Conditions including without limitation to devising and putting in place appropriate systems and internal controls, measures as well as a business resumption/continuity plan to ensure that Bank Rakyat's business will not impaired or disrupted in case the Merchant fails to provide to perform such obligation.
 - (j) the Merchant shall procure that each of its employees, agents, servants, contractors and representatives warrant and undertake, that it and its employees, agents and/or subcontractors have not done and shall not do or, where they have a duty to act, have not omitted to do and shall not omit to do data protection laws of Malaysia.
- 10.2 In the event of any misrepresentation or breach of the abovesaid warranties and representations by the Merchant, without prejudice to the Merchant's other liabilities herein contained, the Merchant shall be responsible for all and any losses and/or penalties that may be imposed by MasterCard Worldwide and/or any other Regulatory Authorities.

11.0 DISCLOSURE OF INFORMATION

- 11.1 It is hereby agreed by the Merchant that Bank Rakyat is authorized to disclose, divulge, reveal and/or provide any information concerning the Merchant including but not limited to the particulars herein to its agents, servants and/or subcontractor appointed/engaged by Bank Rakyat or to any person/party for purposes connected with the products.
- 11.2 The Merchant hereby authorizes Bank Rakyat and/or its officers to make use of, disclose, divulge or reveal any information relating to its accounts for purposes of or in connection with any action or proceeding taken for the purpose of chargeback under Clause 5 or towards the recovery of monies due and payable by the Merchant to Bank Rakyat.

12.0 SERVICES OF LEGAL PROCESS

- 12.1 The Parties hereby agree that the service of any Writ of Summons or any legal process in respect of any claim arising out of or connected with this Terms and Conditions may be effected by forwarding a copy of the same by hand or by prepaid registered or ordinary post to the respective address of the Parties hereinbefore mentioned and such service shall be deemed to be duly served after the expiration of five(5) days from the date it is posted and, if delivered by date, on the day it is delivered.
- 12.2 No change of address of either Party herein mentioned shall be affective or binding on either Party unless that Party has given to the other actual notice of the change of address and nothing done in reliance on sub-clause (1) above shall be affected or prejudiced by any subsequent change in the said address over which the other Party has no actual knowledge of at the time the act was done or carried out.

13.0 CONFIDENTIALITY

Notwithstanding Clause 11, these Terms and Conditions and all matters pertaining here to including but not limited to, all information relating to Cardholders shall be considered as confidential in nature and shall not be disclosed by the Merchant to any third party unless the said disclosure is mandatory by law. You shall keep confidential any information you receive from us that is not publicly available and this Terms and Conditions and its terms and conditions, including, without limitation, your Merchant Discount. You shall take all steps necessary to prevent the transfer or disclosure of Cardholder information to any third party and will not copy, reproduce or store in any from the names and address of Cardholders for any purpose whatsoever. For the avoidance of doubt, the obligations of this Clause 13 shall survive the termination or expiration of this Terms and Conditions.

Without limiting the generality of the foregoing, the Merchant hereby acknowledges that it is aware and understands the effect of, and agrees and undertakes to observe the provisions of and Section 119 of the Development Financial Institutions Act 2002 of Malaysia in connection with the provision of this Terms and Conditions and further agrees and undertakes that it shall not do anything which will cause Bank Rakyat to violate any provision of act or otherwise be guilty of an offence thereunder.

14.0 TERMINATION

- 14.1 Notwithstanding any other provision in this Terms and Conditions, Bank Rakyat may immediately by notice in writing to the Merchant to terminate this Terms and Conditions if;
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- i. become insolvent or enter bankruptcy, receivership or administration or make an assignment for the benefit of creditors generally;
 - ii. suffer an execution, attachment, repossession of or foreclosure on all or substantially all assets;
 - iii. cease all or substantially all of its assets;
 - iv. undergo a merger or substantial change in ownership or control; or
 - v. Any event occurs, or series of events occur, whether related or not, which in our opinion may affect the Merchant's ability or willingness to comply with any of the Merchant's obligations under this Terms and Conditions or to the Cardholder(s) in question;
 - vi. Any breach of default on the part of the Merchant under the terms of this Terms and Conditions and/or if Bank Rakyat has reason to believe or at its absolute discretion is of the view that the Merchant has presented a fraudulent or counterfeit transaction for payment and/or where the Cardholder denies/disputes such transaction and/or the Merchant has been identified by MasterCard International as engaging in the compromising of the Cardholder's accounts activity;

Then in any such events, these Terms and Conditions shall terminate automatically and all debts and obligations owed to us shall be deemed immediately due and payable. Bank Rakyat shall be entitled to maintain a reserve from payments due to the Merchant and/or take such other actions as Bank Rakyat may be entitled to under this Terms and Conditions or under applicable law or equity;

- 14.2 Upon termination of these Terms and Conditions, Bank Rakyat's obligation to reimburse the Merchant under Clause 4 shall cease on the effective date of any of such termination aforesaid, and Bank Rakyat shall not be obliged or bound to make any payment on Transaction Slips presented thereafter.
- 14.3 Notwithstanding the aforesaid, Bank Rakyat's right and entitlement under this Terms and Conditions (including its right and entitlement of Chargeback under (Clause 5) hereof against the Merchant shall survive the termination of this Terms and Conditions for or relating to any Card Transaction Slips presented by the Merchant prior to the date of termination.
- 14.4 The Merchant hereby agrees that notwithstanding anything contained herein, these Terms and Conditions may be terminated by Bank Rakyat by giving to the Merchant (without need to assign any reason) not less than seven (7) days prior written notice.

15.0 NOTICE

- 15.1 All notices to the Merchant concerning this Terms and Conditions will be given to the Merchant in any of the following manner:-
 - (a) by ordinary post to the Merchant's last known address in the Bank's records and such notification shall be deemed received after three (3) Business Days from the date of posting; or
 - (b) by electronic mail to the Merchant's last known e-mail address in the Bank's records and such notification shall be deemed received after Twenty-Four (24) hours from the time of transmission; or
 - (c) by displaying notices in any of the Bank's premises or branches or website and

such notification shall be deemed notified after three (3) days from the date it was 1st displayed; or

- (d) by verbal telecommunication to the Merchant's telephone details submitted in the application forms and such notification shall be deemed received instantly; or
- (e) text-message notification via short message service to the Merchant and such notification shall be deemed received after Twenty-Four (24) hours from the time of transmission; or
- (f) by advertisement made once in any national newspapers in the English language or national language and such notification shall be deemed notified after three (3) days from the date it was 1st displayed; or
- (g) by inserting a notice in the Bank's statements/report sent to the merchant's last known address in the Bank's records be deemed received after Three (3) Business Days from the date of posting; or
- (h) if notified to the Merchant in any other manner agreed by an earlier instruction of the Merchant.

15.2 All notices to the Bank shall be in writing, signed by the Merchant and sent to the Bank at 14th Floor, Menara 1, Menara Kembar Bank Rakyat, No. 33, Jalan Rakyat 50470 Kuala Lumpur or in such other manner as the Bank may notify the Customer in writing from time to time.

15.3 For the avoidance of doubt, all such other notifications shall be deemed effective after three (3) days from the date of such notice being issued or any other date specifically mentioned in such notice;

15.4 In the event of any unauthorized disclosure of or misuse of information by a third party arising through the usage of facsimile or e-mail, as a mode of communication, the Merchant hereby undertakes to indemnify Bank Rakyat, for all losses, claims, demands, actions, proceedings, damages, costs and expenses incurred by Bank Rakyat.

16.0 MISCELLANEOUS

16.1 Compliance With Laws

This Terms and Conditions shall be governed by Laws of Malaysia and the Parties hereby agree to submit to the exclusive jurisdiction of the Malaysia Courts. You agree to comply with all laws, regulations and rules applicable to you.

16.2 Notice Requirement

Where the Merchant is a sole proprietorship or a partnership, failure of the Merchant to notify Bank Rakyat of the change as required hereunder shall result in the sole proprietor or partners (as the case maybe) of the Merchant (as notified to Bank Rakyat prior to the change) shall be liable for any loss or damage suffered by Bank Rakyat therefrom.

16.3 Costs

16.3.1 The Merchant agrees to pay legal fees (on a solicitor and client basis) and other costs and expenses incurred and/or suffered by Bank Rakyat in connection with or incidental to this Terms and Conditions including the fees and stamp duty (if any) in connection with the preparation and execution of this Terms and Conditions. The Merchant agrees to pay legal fees (on a Solicitor

and Client Basis) and other costs and expenses incurred and/or suffered by Bank Rakyat in the lawful enforcement of Bank Rakyat's rights and entitlement under these Terms and Conditions.

16.4 Binding Effect

The Terms and Conditions are binding on the parties, their executors, administrators, successors and permitted assigns.

16.5 Variation

Notwithstanding any other provisions herein, Bank Rakyat reserves the right at all times to add, waive or vary any of these terms and conditions. Any such addition, waiver or variation shall become effective upon notification to the Merchant by any means Bank Rakyat deems fit.

16.6 Severability

The invalidity or non-enforceability of any of the provisions herein shall not substantially nullify the underlying intent of this Terms and Conditions and the invalid or unenforceable provisions shall be severable and the invalidity or non-enforceability of any terms or provisions herein contained which shall remain in full force and effect.

16.7 Letter of Offer

The Letter of Offer issued by Bank Rakyat to the Merchant in respect of this Terms and Conditions shall form part of this Terms and Conditions and shall be read, taken and construed as an essential part of this Terms and Conditions. In the event of inconsistencies between the terms of Letter of Offer and these Terms and Conditions, the terms in the former would prevail.

16.8 Merchant's Participation

These Terms and Conditions cover the Merchant's participation in the Card's services for all the offices, outlets and locations of the Merchant in Malaysia at the date of this Terms and Conditions and such other offices, outlets and locations as may be agreed upon by Bank Rakyat from time to time.

16.9 Communication

All communication between the Parties pertaining to these Terms and Conditions shall be in Bahasa Malaysia or English Language.

16.10 Indemnity

16.10.1 You indemnify us and agree to keep us indemnified against all claims, damages, actions, proceedings, expenses (including legal costs) losses and liabilities (including all fines, penalties and other charges) whether in contract, under the statute, in tort (including negligence) ("Liabilities") suffered or incurred at any time by us arising out of or as a consequence of the Terms and Conditions, except that you are not obliged to indemnify us against any Liabilities to the extent such Liabilities are solely the result of our fraud, wilful default or negligence.

16.10.2 Without prejudice to clause 16.10.1, you indemnify us and the Issuer (the "Indemnified Parties") and agree to keep the Indemnified Parties indemnified against all Liabilities which an Indemnified Party suffers or incurs arising directly or indirectly from:

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- (a) your negligence or fraud or the negligence or fraud of an employee, contractor or agent of yours;
 - (b) your failure, or the failure of an employee, contractor or agent of yours, to observe any of your obligations under the Terms and Conditions;
 - (c) any dispute arising between you 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 dispute between us or the Issuer, as the case may be, and any Cardholder where the Cardholder or us or the Issuer, as the case may be, dispute liability for any reason;
 - (e) any use of an POS Terminal by you or your employees, contractors or agents;
 - (f) any representation, warranty or statement made by you or your employees, contractors or agents to the Cardholder; or
 - (g) any misrepresentation, breach of contract and/or failure of consideration relating to any contract for the supply of goods or services by you to a Cardholder, except that you are not obliged to indemnify an Indemnified Party against any Liabilities to the extent such Liabilities are solely the result of the fraud, wilful default or negligence of that Indemnified Party.

16.10.3 Without prejudice to 16.10.1, if you breach the Terms and Conditions including, for the avoidance of doubt, any provision of any material provision of any Laws applying generally across all merchants and notified by us in writing then, in addition to any remedy we may have elsewhere in the Terms and Conditions, you agree to indemnify and keep indemnified the Indemnified Parties against all Liabilities suffered or incurred by an Indemnified Party under any such Laws as a result of your breach.

16.10.4 You authorize us to withdraw from your Accounts or any other account you have with us the amount determined by us to be the amount payable under this indemnity.

16.11 Waiver

No failure or delay on the part of Bank Rakyat in exercising nor any omission to exercise any right, power or privilege or remedy accruing to Bank Rakyat upon default on the part of the Merchant shall impair such right, power, privilege or remedy or be construed as a waiver thereof or as an acquiescence in such default; nor shall any action by Bank Rakyat in respect of any default or any acquiescence in any such default affect or impair any right, power, privilege or remedy of Bank Rakyat in respect of any other or subsequent default.

16.12 Assignment

Bank Rakyat may at its sole and absolute discretion assign any of its rights and obligations under this Terms and Conditions to its subsidiary or affiliates or nominee to supervise the Merchant's performance of its obligations under of these Terms and Conditions.

You must not assign or transfer any of your rights or obligations under the Terms and Conditions unless we consent in writing.

16.13 Force Majeure

Bank Rakyat shall not be liable for breach of these Terms and Conditions caused by circumstances beyond your or our reasonable control.

16.14 Relationship of Parties

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

17.0 CERIFICATE OF INDEBTEDNESS

- 17.1 A certificate signed by any officer of Bank Rakyat as to the monies for the time being due and owing to Bank Rakyat from the Merchant in respect of Merchant Discount, POS Terminal(s) rental, Chargeback or otherwise shall be conclusive evidence or proof that the amount appearing therein is due and owing and payable by the Merchant to Bank Rakyat and shall be binding on the Merchant for all purposes, including legal proceedings.

18.0 PAYMENT CARD INDUSTRY DATA SECURITY STANDARD (PCI-DSS) TERMS AND CONDITIONS

18.1. RESTRICTIONS REGARDING PROCESSING OF CARD TRANSACTIONS

18.1.1 The Merchant may only store the following information:

- i. Cardholder number
- ii. Cardholder name
- iii. Cards expiry date

If you decide to store the Card Account Number (often referred to as the Primary Account Number "PAN" or Cardholder Number), it is your obligation to ensure security and protection by using encryption or other methodologies that preclude unauthorized individuals from deciphering the card number.

Under no circumstances may you store the CCV2 number, the PIN or the Magnetic stripe data.

18.1.2 You must ensure that your business, and any service provider who participates in the processing, transmission or storage of card payment details on behalf of your business, fully complies with the PCI-DSS and completes the validation requirements compatible with their level.

18.1.3 You must ensure that your business and any service provider who, participates in the transmission, acceptance or storage of card payment details for your business on your behalf, fully comply with the PCI standard.

Upon request, you must disclose details of any service providers who facilitate transactions on your behalf to Bank Rakyat.

18.1.4 You must follow the Data Breach Procedures immediately upon suspected or known breaches on your system, or that of any service provider who has access to stores or transmits credit card payment details. You must:

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- i. Identify the cause of the event and immediately notify Bank Rakyat
 - ii. Isolate or unplug affected systems from all networks involved in the services
 - iii. Cease installing or making any changes to software related to the services
 - iv. Tighten security controls pertaining to all networks relating to the services
 - v. Implement and follow the Disaster Recovery Plan
 - vi. Maintain a rigorous audit trail of all actions taken to isolate and rectify the event
 - vii. Commence calculating the gross potential exposure that may arise from such an event and notify Bank Rakyat in writing of the results of such calculations as soon as possible, but within a 24 hour period.

18.1.5 You must ensure that any software or hardware your purchase, create or otherwise utilize for the purpose of selling goods and/or services online does not retain its original password before employing it for the acceptance of credit cards. You must also ensure that all passwords are changed in a regular basis.

19.1 INDEMNITIES IN RELATION TO PCI-DSS

19.2 Notwithstanding any other provisions of this Terms and Conditions, the Merchant agrees that it shall fully indemnify Bank Rakyat for and against any loss or damage, costs and expenses including legal fees stated in Clause 15.3 which Bank Rakyat may incur in enforcing or seeking to enforce the payment of the value on the Transaction Slips by the Cardholder and in enforcing the terms of this Terms and Conditions against the Merchant.

19.3 You will indemnify us on demand against all losses, expenses and damages we may suffer:

- i. As a result of your failure to observe your obligations under the Terms and Conditions including any procedures set out in the Manuals;
- ii. As a result of MasterCard or other card schemes imposing fees, fines or penalties on us in accordance with the Rules as a direct or indirect result of your failure to observe your obligations under the Terms and Conditions including any procedures set out in the Manuals;
- iii. Arising out of any dispute between you and a Cardholder;
- iv. As a result of any error, negligence or fraud relating to a transaction by you, your servants, agents, employees or contractors;
- v. Arising out of any dispute between you and the Terminal Supplier;
- vi. As a result of any fees, fines or penalties that the Bank is required to pay pursuant to the rules, by-laws or regulations of any Card Scheme that the Bank is a member of or participates in, as a direct or indirect result of your failure to observe any of the procedures, requirement or obligations required to be complied with by you under any Card Scheme used in providing the Banking Services.

19.4 If you have suffered a data compromise:

You will have to give Bank Rakyat and its agent full access to your systems and databases to facilitate a forensic analysis to ascertain:

- i. What Cards data has been compromised;
- ii. What weaknesses in the system permitted unauthorized access to the database; and
- iii. Whether Cards data was created, deleted, altered, copied or manipulated in any manner.

If you use the services of any external Service Provider, you will have to ensure Bank Rakyat and its agents are given full access to necessary outsourced components such as databases, web hosting systems, etc.

All costs of the forensic analysis will be passed on to you. To continue processing card transactions, you will have to undergo a full PCI-DSS accreditation. All costs of this accreditation exercise will be borne by you.

- 19.5 Excessive Chargeback: Bank Rakyat will notify you if your chargeback in any particular category has or is in threat of exceeding the threshold. You must take immediate action to rectify the situation. Failure to resolve the cause of the problem will result in "Excessive Chargeback fines" imposed by the Card Schemes which will be passed on to you.

19.6 PCI-DSS accreditation program

- a. You are required to complete the PCIDSS accreditation program within 3 months of being granted the merchant facility, or within 3 months of our notification to you to comply with the requirement.
- b. Noncompletion of the PCI-DSS accreditation program will place your facility in the non-compliant status. This non-compliant status will attract non-compliance fines from the Card Scheme which will be passed on to you.
- c. If your organization suffers a card data compromise incident and you have not complied with the PCI-DSS accreditation program the Card schemes will levy heavy penalties. Bank Rakyat will pass these penalties on to you.
- d. All costs in relation to the completion of the PCI-DSS accreditation program will be borne by you.

19.7 Consent to share information

- a. Acceptance of these terms and conditions gives your consent to Bank Rakyat sharing details of a suspected and/or confirmed data compromise to law enforcement agencies, Bank Negara Malaysia and other relevant regulatory and/or statutory bodies and/or as required by any written law or regulations, Card schemes and other parties at Bank Rakyat's discretion. This consent is irrevocable and enduring.
- b. Bank Rakyat is obliged to report all data compromise events to card schemes, law enforcement agencies and/or other government regulators. Your acceptance of these Terms and Conditions confirms that you understand this obligation and grant irrevocable and enduring consent for Bank Rakyat to release details of the compromise to the aforementioned bodies.
- c. Your acceptance of these Terms and Conditions irrevocably confers upon Bank Rakyat the enduring right to contact all service providers that enable you to acquire credit card transactions. This clause is limited to the purpose of determining the extent of a data compromise, evaluating, remedies to that data compromise and assessing your level of compliance with PCI-DSS.

20.0 SECURITY

- 20.1 At any time (including where you carry out Delayed Supply Transactions, but not limiting any Transaction type), we may request that you provide us with:
- (a) a completed Merchant Prepayment Exposure Declaration; and/or
 - (b) Security of a type, and to secure an amount, specified by us,
- and you will provide us with completed declaration and/or Security (as applicable).
- 20.2 If we specify a time by which the Security must be provided, you must provide the Security to us by that time.

21.0 PROMOTIONAL MATERIAL

- 21.1 Bank Rakyat may supply the Merchant with the Card Service signs, decals and other promotional material we have authorized.
- 21.2 The Merchant must prominently display in your Premises each Card Service decal and other promotional material supplied by Bank Rakyat or Bank Rakyat's authorized representative.
- 21.3 Where the Merchant is authorized in writing by Bank Rakyat to accept Internet orders, the Merchant must display logos, signs or other promotional material supplied by Bank Rakyat or Bank Rakyat's authorized representative on the Merchant website wherever payment options are presented to the Cardholder.
- 21.4 The Merchant must not use any promotional material in relation to Bank Rakyat or any Cards except as authorized by Bank Rakyat. The Merchant must not use the name, logo, any trademarks, brand names, business names or copyright belonging to Bank Rakyat or any Cards without our prior written approval.
- 21.5 The Merchant must only advertise goods and services which can be purchased with the Card Service in Malaysia currency or any other currency authorized in writing by Bank Rakyat.

22.0 PERSONAL DATA PROTECTION

- 22.1 The Merchant acknowledges that the Bank may collect and process information on the Merchant's name, e-mail address, mobile phone number and location where the transaction is carried out through the use of the POS Terminal. The Merchant also acknowledges that such information may render the Merchant personally identifiable and agrees that such information may be used by the Bank in the ordinary course of the Bank's business (which may include use to enforce or defend any of the Bank's rights, to comply with all applicable legislation, laws and regulations, to enhance the quality of the Bank's products and services, to prevent fraud or illegal activities, to prepare demographics concerning the Bank's customers' use of the Bank's products and services as well as to offer additional products or services, at the Bank's sole discretion) or be made available to the Bank's third party vendors, advertisers, affiliates or relevant third parties in aggregate or demographic form.
- 22.2 The Merchant hereby agrees to strictly comply with the following terms and conditions relating to Personal Data Protection Act 2010 ("PDPA 2010"):
- (i) Where the Merchant receives any personal data (as defined by PDPA 2010) from the Cardholder or Bank Rakyat:-
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- (aa) it shall ensure that it fully complies with the provisions of PDPA 2010 in respect of such personal data received and only deals with such personal data to fulfill its obligations under this Terms and Conditions; and
 - (bb) it shall take all reasonable steps to ensure that its employees, servants or agents, and sub-contractors comply with the requirements imposed under Clause 23.1 (i) (aa) above in case they are dealing with the personal data; and
 - (ii) the Merchant shall indemnify Bank Rakyat for any breach of PDPA 2010 by the Merchant that its employees, servants or agents, and sub-contractors which if such breach renders Bank Rakyat liable to any party for any cost, claim or expense.

22.3 Transactional Information

- (i) The Merchant must destroy any Cardholder information about the Transaction on the later of:
 - (a) the expiry of the eighteen (18) month period; or
 - (b) the date on which you have no further business or legal reason for retaining the information.
- (ii) The Merchant must ensure that Cardholder data is destroyed in the following manner:
 - (a) shred, incinerate or pulp hardcopy materials so that Cardholder data cannot be reconstructed; and
 - (b) render Cardholder data on electronic media unrecoverable so that Cardholder data cannot be reconstructed.

23.0 ANTI-MONEY LAUNDERING AND SANCTIONS

23.1 You agree that we may, in our sole and absolute discretion:

- (a) delay, block or refuse to process any Transaction;
- (b) delay, block or refuse to settle any Transaction; or
- (c) refuse to perform any one or more of our obligations under the Terms and Conditions; without incurring any liability, if we suspect, for any reason, that:
- (d) an action we are required or requested to take under the Terms and Conditions;
- (e) our involvement in any Transaction that is in any way connected with the Terms and Conditions; or
- (f) our performance of any service for any person in connection with the Terms and Conditions; might in any way cause us:
- (g) to breach any Law, regulation or other legal prohibition of any place or jurisdiction (including a foreign place or jurisdiction);
- (h) to deal in any way with any person (natural, corporate or governmental) that is sanctioned, or is connected in any way to any person that is sanctioned, under economic and trade sanctions imposed by Malaysia, the United Nations, the European Union or any country;

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- (i) to breach any sanction of any kind imposed by any country (including any sanction that supports a decision or resolution of the United Nations Security Council);
 - (j) to deal in any way with any person (natural, corporate or governmental) that has been listed or named by any government, or independent authority (such as the United Nations or the European Union), as a person who is in any way suspected of being involved (or potentially involved) in terrorism or in any activities connected with terrorism; or
 - (k) to be involved (whether directly or indirectly) in any Transaction which involves the proceeds of unlawful conduct or which involves proceeds that might be applied for the purposes of unlawful conduct in Malaysia or any other country.

For the purposes of this clause, the circumstances listed in paragraphs (g) to (k) above are collectively described as “unlawful acts”.

23.2 You must provide all information to us which we reasonably require in order:

- (a) to manage anti-money laundering, counter-terrorism financing and economic and trade sanctions risk;
- (b) to comply with any Laws, regulations, or other prohibitions that may be applicable to us with respect to any Transaction, requested action or obligation applicable to us; and/or
- (c) to avoid involvement in any unlawful act.

23.3 You warrant and undertake to us that you will not request us to take any action, or to perform any obligation, in connection with the Terms and Conditions that might cause us to be involved in any unlawful act on our part. Should you become aware that we might become involved in an unlawful act in connection with the Terms and Conditions, you must immediately tell us of the fact or circumstance that might cause us to be at risk or have involvement in an unlawful act. Should you become aware that we have become involved in an unlawful act, as a result of our performance of any action or obligation in connection with the Terms and Conditions, you must immediately tell us of the facts or circumstances that have caused this to occur.

23.4 You agree that we may disclose any information concerning you or any Transaction to any Law enforcement agency or court or any relevant authority where required to do so under any Law or regulation (including a Law or regulation of a foreign place or jurisdiction) or where we have a reasonable belief that the Transaction may contravene that Law or regulation, and we will not incur any liability to you as a result of that action.

24.0 AUDIT

24.1 The Merchant shall permit auditors nominated by the Bank Rakyat or Bank Negara Malaysia from time to time during normal business hours to undertake such audits as the Bank Rakyat or Bank Negara Malaysia may consider necessary for the purpose of determining and verifying that the Merchant:-

- a) adheres to all Merchant Services Terms and Conditions and Authorisation procedures in order to minimize chargeback and disputes; and
 - b) complies with all its obligations under this Terms and Conditions;
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- 24.2 If there is a dispute involving a Transaction or Bank Rakyat suspects that fraud is involved or suspected breach of any term and condition in this Terms and Conditions, the Merchant hereby authorize Bank Rakyat, or Bank Rakyat's agent, to enter the Merchant Premises at any time to examine and take copies of the Merchant book of accounts and records.

25.0 BANK RAKYAT LIABILITY

- 25.1 To the extent permitted by Law, Bank Rakyat will not be responsible for any Liabilities (whether direct, indirect, consequential or otherwise) ("Merchant Liabilities") suffered or incurred by you under or in connection with the Terms and Conditions including, but not limited to, Merchant Liabilities suffered or incurred because an POS Terminal, the Merchant Services Terms and Conditions, or any telephone line or other communications device or service is malfunctioning or not operating and Merchant Liabilities resulting from our failure to credit the Cards settlement bank account due to technical or administrative difficulties relating to the banking system or Merchant Services Terms and Conditions used for the transfer of funds to the Cards settlement bank account.

- 25.2 To remove any doubt and without limiting the generality of this provision, our services and Merchant Services Terms and Conditions are dependent on messaging, communications, processing and other systems which are subject to interruption or breakdown for a variety of reasons. We will take all commercially reasonable steps to reduce the duration should such an interruption or breakdown occur but will not otherwise have any liability for any failure, delay or other matter resulting from it.

If, despite the other provisions of the Terms and Conditions, we are found to be liable to you under or in connection with the Terms and Conditions then, without limiting your obligation to indemnify us as set out in Clause 16.10, our total liability to you in connection with each event or series of events giving rise to liability is limited to an amount equal to two (2) months' Merchant Discount at the rate prevailing at the time the liability arose.