



ASO SAVINGS AND LOANS PLC MERCHANT AGREEMENT FOR THE DEPLOYMENT POINT OF SALE TERMINALS

THIS AGREEMENT is made this _____ day of _____ 20_____ between ASO SAVINGS AND LOANS

PLC of Plot 266, FMBN Building, Central Business District, Abuja. (Herein after referred to as “ASO Savings” and Of _____ hereinafter referred to as the “Merchant”) for the purpose of setting out the terms and conditions for the use of Point of Sale (POS) terminal(s) provided by ASO Savings to the Merchant.

WHEREAS:

- a. The “Merchant” requires ASO Savings to provide it with a Point of Sale (POS) Terminal for the acceptance of electronic cards for the receipt of payment from their customers for goods and services.
- b. ASO Savings is the provider of the Point of Sales Terminal to the Merchant or may be referred to as the acquirer or co- acquirer of the merchant.
- c. In line with the Central Bank’s regulation on Interoperability and Interconnectivity of the Payment System Infrastructure in Nigeria, ASO Savings has permitted the Merchant to accept multiple card schemes including but not limited to the following: **MASTERCARD, 3LINE, ETRANZACT, ASYFUEL, INTERSWITCH, VALUCARD, and/or VISA Card** Schemes on ASO Savings Point of Sale terminals subject to the terms and conditions contained in this Agreement.

1. Definitions

In this Agreement:

- a) “Card” means an electronic cardholder card either debit, credit, prepaid or a combination (of the two or three variants in one), including any renewal or replacement issued by a Participating Bank;
- b) “Cardholder” the owner of the electronic card presented for use on the POS terminal
- c) “Hotlist” means the list containing the information on missing, stolen, expired, invalid, cancelled or disabled Electronic Debit, Credit or Prepaid card;
- d) “Merchant” the business or principal which the bank acquires and provides a POS terminal for accepting payments
- e) “Issuing bank” is the cardholders’ bank which has agreed to credit the acquiring bank on behalf of its merchant for successful transaction
- f) “Participating Bank” means one of the Banks in the card(s) Scheme or switching platform(s) that ASO is signed up to.
- g) “PIN” means a personal identification number inputted or formulated by the cardholder



for use on POS;

h) “Point of Sale Terminal” or “POS” means the machine used for Electronic Funds Transfer transaction;

i) “The Bank” and “ASO” means ASO Savings and Loans PLC

j) “Transaction Fees” means the fees payable by the Merchant every time an electronic cash value is successfully completed using an electronic payment card;

k) “Transfer” means the process by which electronic cash value is transferred from an electronic payment card to another electronic card or account and the terms “Transferring” and “Transferred” shall be construed in like manner.

2. Duration

This agreement shall remain in force for a period of 2 years from the date of execution with an option to renew for a further term as agreed by the parties or continues to be valid, if unaltered or amended.

3. Issue of POS Terminal

- a) The Bank reserves the right to deploy its POS terminals to any Merchant it deems fit
- b) The Bank has the right to withdraw or repossess the POS from the Merchant at any time, for any reason.

4. Use of POS Terminal, Card and PIN

It is a fundamental term that:

- a) All POS terminals shall be kept secure at all times;
- b) The Merchant shall notify ASO or its representative immediately in respect of any change in the registered name and address of the Merchant.
- c) ASO shall not be liable for any loss incurred by the Merchant due to the malfunction or loss of the POS.
- d) ASO shall not be liable for any losses to the Merchant arising from the use of the POS by any person obtaining possession of it with or without the Merchant’s consent;
- e) The Merchant must duly inform the Bank of the loss or theft or otherwise of the POS.
- f) The Merchant consents not to allow any other POS terminals from other banks or 3rd parties on the Merchant premises without the consent of ASO expressed in writing.
- g) The Merchant shall not request the cardholder to divulge their PIN to them or their employees or agents.
- h) The Merchant shall not compromise or keep any card information such as card number, expiry date, CVV code or any other information that may compromise the card
- i) The merchant shall not discriminate against any card scheme but shall accept all local and international payment cards presented by customers.



5. Point Of Sale (POS) Fees

- a) The transaction fees payable by the Merchant shall be a percentage of all POS transactions or a flat fee per transaction.
- b) The transaction fee shall be paid to the Bank; this will be deducted from the merchant's account domiciled in the Bank.
- c) The transaction fees payable by the merchant may vary from card scheme or type, merchant category or business type.
- d) The transaction fee payable are as follows:
 - I. The merchant shall pay of all Verve cards POS transactions
 - II. The merchant shall pay of all Visa cards POS transactions
 - III. The merchant shall pay of all MasterCard POS transactions
 - IV. The merchant shall pay of all Etranzact Genesis cards POS transactions
 - V. The merchant shall pay of all 3line freedom cards POS transactions

6. Liability For Use of POS

The Merchant hereby undertakes that it shall be liable for damages or misuse of the POS beyond the normal course of usage.

7. Covenants by The Merchant

- a) The Merchant shall not discriminate against any Cardholder who presents His/her Card for payment for goods and services except in cases of suspicion of fraud.
- b) The Merchant shall bear responsibility and liability for all local, state and federal government taxes due on its transactions;
- c) The Merchant shall honor all Valid Cards regardless of the issuing bank;
- d) The Merchant shall not misuse, damage, alter, and attempt to alter or tamper with the POS.
- e) The Bank may debit the Merchant's account for the cost of replacing or repairing a POS terminal damaged or reported stolen while in the possession of the merchant
- f) The Merchant shall not disclose to any third party the fees charged by the Bank on their POS transactions unless required by law or regulatory agencies and the merchant is obliged to inform the Bank of any such disclosure

8. Cardholder Identification and Card Fraud

- a) For transactions of N100,000.00 and above (or its equivalent in foreign currencies), the Merchant shall ensure that the cardholder presents a valid form of identification such as Driver's license, International passport or other forms of Identification accepted by law before accepting a cardholder's payment card.
- b) The Merchant shall in addition to (a) above, request, document the cardholder's Name; Means of Identification; Telephone Number; and Address



and make photocopies of the cardholder's Means of identification for all transactions of N100,000.00 (One Hundred Thousand Naira) and above or its equivalent in foreign currencies.

- c) The Merchant should ensure that cardholders signs both receipts generated by POS terminal and the Merchant shall compare with the signature behind the cardholder's card. If the signature does not correspond the Merchant should not release the goods or provide service to the cardholder and promptly notify the Bank immediately.
- d) The Merchant should reject any unsigned electronic payment card for POS transactions.
- e) The Merchant report all suspicious transactions to the Bank not later than 24hours or the next working day.
- f) The Merchant shall check card security features prior to completing any transaction. Such checks shall include but not be limited to comparing card number on the card with the card number on the POS receipt or voucher.
- g) The Merchant shall compare the last four digits of the card number and name on the card with the number printed by the POS terminal if the number differs, the Merchant shall contact ASO immediately and should not release goods or services to the cardholder
- h) The Merchant shall ensure that card transactions are performed in a secure environment ensuring that the "card never leaves sight of cardholder" rule is strictly observed. Non-compliance with this will trigger the immediate cancellation of POS contract and responsibility is passed to the Merchant in case of fraud on the card(s).
- i) In the event of a valid fraudulent transaction claim, the Merchant would be charged 105% of the value of the claim if the Merchant is found to be negligent in the area of enforcing cardholder identification at the point of receiving the cardholder's payment card to be used on the POS terminal.
- j) In the event of a valid fraudulent transaction claim, if the Merchant is found to have connived with the perpetrator(s), the Merchant would be charged 200% of the value of the claim, reported to the law enforcement agencies and/or blacklisted from POS transactions by the Bank or/ and regulatory authorities or all the penalties stated in this section
- k) The Merchant agrees to be responsible for all the actions of the principal and all its employees including fraudulent acts or omissions.
- l) The Merchant has consented to discretionary use of transaction and other Merchant information obtained by the Bank
- m) The Bank may freeze the Merchant's account in an event where a fraudulent POS transaction is reported on the POS terminal deployed to the Merchant's location.



9. Settlement Reversal and Charge Back

- a) All successful transactions would be settled to the Merchant's bank account nominated on the Merchant registration form or account number nominated by Merchant through written letter signed by the relevant authorized signatories.
- b) Merchant Settlement will take place at the close of business day on a T+1 basis, (where T is day of the transaction and 1 is the addition of one working day) barring unforeseen events which are beyond the control of the Bank's settlement teams.
- c) Settlement of the Merchant transaction would only be done on a working day (i.e. Monday to Friday except on national or state declared holidays)
- d) A chargeback request on the merchant may be charged-back against the Merchant and the Bank would not be held liable for this.
- e) The Merchant would keep all cardholder's name, cardholder's address, cardholder's telephone, Merchant issued receipts, stock movement logs and receipt/invoicing log for a minimum of 180 days (one hundred and Eighty days) and the documents should be presented to the Bank within 24 hours of request.
- f) The Bank is entitled to debit the Merchant for the value of the amount where a chargeback claim has been submitted to the Bank. The Merchant would receive their funds back if satisfactorily documentary evidence is provided to oppose the claim. The Bank will not be held liable for any losses which the merchant may incur from a chargeback claim.
- g) The Merchant shall report to the Bank if it erroneously receives POS transaction funds not transacted on the POS terminal(s) deployed to them.
- h) The Merchant shall not under any circumstance refund the cardholder in cash or by providing the requested goods or services for unsuccessful or declined POS transactions. The Merchant should refer the cardholder to the issuing bank to lodge their claim and the merchant should also lodge the claim with the Bank.

10. Right of Set-Off:

The Merchant undertakes that in addition to any general lien or similar right to which the Bank as a banker may be entitled by law, the Bank may, at any time and without notice to the Merchant, combine or consolidate all or any of the Merchant's accounts with any liabilities to the Bank and set-off or transfer any sums(s) standing to the credit of the Merchant towards satisfaction of the Merchant's liabilities be it actual or contingent, primary or collateral and several or joint.

11. FORCE MAJEURE

No failure or omission by any party to carry out its obligations or observe any of the stipulations or conditions of this Agreement, shall give rise to any claims against the party in question or be deemed a breach of this Agreement, if such failure or omission arises from a force majeure event, such as acts of God, war or warlike



hostilities, civil commotion or unrest, riots, blockades, embargoes, sabotage, strikes, lockouts, governmental interventions, shortage of material or labor, delay in deliveries from subcontractors or machine failure, or any other event outside the control of the said Party.

12. Termination of this Agreement

a) Either party may terminate this Agreement upon two weeks' written notice to the other party. If either party exercises its right to terminate, then the Merchant hereby agrees and undertakes not to take any injunctive step or seek an injunction to restrain the possession of the POS at any time whether or not the parties are in court or dispute. The Bank reserves the right to terminate this Agreement immediately irrespective of the above provision.

b) Merchant shall return the equipment to the bank in good condition, fair wear and tear excepted, together with all licenses, permits instructions manuals etc. relating to it. Should the Merchant fail to return the equipment to the bank within 7 (seven) days of the termination of this agreement, the merchant shall be liable to the bank for its market value.

c) If the equipment is not returned in a condition that is acceptable to the bank, a qualified technician will be appointed by the bank to justify the condition and if found in bad condition due to merchant negligence, the full market value of the device or the value of the replaceable part will be debited to the Merchant's nominated account.

13. Waiver

In the event of any dispute or litigation by way of court action, arbitration or otherwise the Bank shall without prejudice to its right have the right to repossess the POS, and the Merchant hereby agrees and undertakes not to take any injunctive step or seek an injunction to restrain the possession of the POS at any time whether or not the parties are in court or dispute.

14. Jurisdiction

All disputes shall be referred to Nigerian Courts for resolution.

15. Governing Law

This Agreement shall be governed by the Laws of the Federal Republic of Nigeria.

IN WITNESS WHERE OF the parties hereto have caused their hand and common seal to be hereunto affixed the day and year first above written.

Signed by: In the presence of:



**For and on behalf of:
ASO Savings and Loans PLC**

Authorized Signatory

Name

Authorized Signatory

Name

Signed on behalf of the within-named **Merchant**

Name:

Title:

Signature:

Name:

Title:

Signature