



MERCHANT SERVICE TERMS – RECURRING PAYMENTS

1 INTRODUCTION

- 1.1 By using or subscribing to PayU's Recurring Payments Service ("**the Service**"), you agree that you have read, understand and are bound by –
- 1.1.1 these 'Merchant Service Terms – Recurring Payments' ("**Service Terms**");
 - 1.1.2 the 'Merchant Service Terms – General' ("**General Terms**"); and
 - 1.1.3 the provisions of the hardcopy or electronic application form relevant to the Service ("**Application Form**").
- 1.2 Your use of the Service indicates your acceptance of these Service Terms, as read with the General Terms and the Application Form which will together constitute a legal agreement ("**the Agreement**") between you and PayU.
- 1.3 Unless the context clearly indicates the contrary, any term defined in the General Terms when used herein, shall bear the same meaning as defined in the General Terms. In this regard note that, because the Service enables you to receive payments made to you electronically, you are a 'Merchant' for purposes of this Agreement. To the extent that there is any inconsistency between any provision of the General Terms and these Service Terms, then these Service Terms shall override the General Terms to the extent of the inconsistency.
- 1.4 You may only subscribe for the Service if you are a South African resident, as contemplated by the Income Tax Act of 1962.

2 DURATION

This Agreement shall commence with effect from the date of activation of the Service by PayU which date shall not be earlier than the requested commencement date set out in your Application Form and shall endure until either of us terminates it in accordance with the General Terms.

3 THE SERVICE

3.1 General

- 3.1.1 As a Merchant, you may have customers that need to make payments to you on a regular, recurring basis and who have authorised you to deduct such payments from their credit cards. The Service entails us processing those recurring payments for you, in batches and possibly at regular intervals, from your customers' credit cards into your acquiring account. Such payments are processed by us based on your instructions, which must be provided in the prescribed format and by making use of the supported file transfer methods as defined in our Integration Documents (subject to 3.3.4 below).
- 3.1.2 **Note that (a) we act merely as the payment processor in respect of the transaction between you and your customer; and (b) subject to 3.3.4, we are processing the transactions on your behalf, in accordance with your instructions, and we are not responsible for checking the accuracy of any aspect of the files you send us and will not be liable for any payment related errors made resulting from errors in your file.**

3.2 Cardholder Recurring Payment Set Up

- 3.2.1 Your customers will be redirected from your website to the PayU platform where we will capture their credit card details. If the payment method is a credit card, we will store it in our secure PCI certified database. We will then provide you with a token unique to you, that customer, and his/her credit card ("**Token**"). You will not store any of such customer's credit card information yourself, but merely use that Token to affect the recurring payments from such customer.
- 3.2.2 Should you have existing customers that you wish to be processed on a recurring basis by us, you can select to have a once-off mass upload of their credit card details into our environment (the so-called optional 'Mass Upload' service specified on the Application Form). You then need to provide all the credit card details to us in encrypted format, alternatively upload the credit card details yourself via the PayU Merchant Portal to the mass tokenisation service. Once the card details are stored by us, we will issue you with all the relevant Tokens and you should delete the credit card details from your systems.

3.3 Service Options

Although the general nature of the Service is set out in 3.1 above, there may be various service options available to you from time to time, as may be indicated in the Application Form, which could include any one or more of the following –

- 3.3.1 **Basic Batch Processing:** You send us from time to time as you may require, via the supported file transfer methods, a file containing the details of the payments you want us to process for you, being the relevant Tokens, deduction dates and amounts. We will then process all the payments as listed in such file. We have no responsibility to manage any future payments, but merely process the once-off batch of payments you instruct as and when we receive the relevant file from you.
- 3.3.2 **Scheduled Processing:** There is no need to send us a file to process transactions. When your customer captures their payment method details with PayU, we will receive payment term instructions from you, including the frequency, amount, start date and end date. We are then responsible for scheduling those payments to ensure that such payments take place as and when instructed, without you having to manage the timing of those payments.
- 3.3.3 **Anonymous Payer:** We collect the credit card details of each of your customers who you require to make payments to you and generate the necessary Tokens, but on an anonymous basis. We do not know who the customer is and/or who the person is that set up the payment and only you can remove the payment. You control the payments and we act on your instruction.

3.3.4 **Known Payer:** Your customers will be redirected to the PayU platform where we not only collect their credit card details, but do so on an identifiable basis in that they will be required to either log in to their existing PayU account (if any), alternatively register for a PayU account. They are then also PayU's customer and we act on their instructions as regards the payments being made by them to you. This means that they may instruct us to remove their recurring payment to you at any time.

3.4 **You acknowledge the nature of the Service and accordingly agree that the operation of the Service is known to you and you accept that it is suitable for the purpose it is intended to be used.**

3.5 Your Obligations

Merchant Recurring Bank Account: You acknowledge and agree that in order to operate the Service, a merchant acquiring account, enabled to support recurring payments with a PayU-approved South African bank is required. You are responsible for ensuring that you enter into an agreement with the prescribed South African bank in order to receive such a merchant account number.

4 SERVICE FEES

4.1 The Service Fees applicable to the Service are specified in the Application Form.

4.2 Payment

- 4.2.1 To the extent that you require PayU to debit the Service Fees due to it on a periodic basis, you hereby authorise PayU to effect the necessary transfers from your designated bank account at the beginning of each and every period so agreed for the continued duration of the Service.
- 4.2.2 To the extent that you elect to be invoiced rather than utilise the debit order mechanism described above, PayU will invoice you in advance in respect of the relevant Service Fee/s so payable and you shall be obliged to pay such Service Fees on the payment date specified in the invoice.

5 DISCLAIMER & LIMITATION OF LIABILITY

5.1 **No Warranties:** Without derogating from the disclaimer provisions set out in the General Terms, but subject to your legal rights, the **Service is provided to you without any warranty (including that the service be error free, accurate and/or complete) and not subject to any condition, except as may be expressly provided otherwise in the Agreement.** More specifically, although we shall use reasonable care and diligence to ensure that the Service is available on a 24 hour per day basis and that requests for electronic debits and credits involving cards and bank accounts are processed in a timely manner, we make no representations or warranties regarding the time it will take to complete processing a transaction. This is because the Service is largely dependent upon many factors beyond our control, including (but not limited to) delays in the banking system or in card networks.

5.2 The Service, apart from being subject to these Recurring Payment Service Terms as read with the General Terms, shall always be subject to the terms and regulations imposed by PayU's payment processors and service providers and your bank and the issuers of your cards whose facilities are utilised in order to accept or effect payment by means of the Service. Therefore **all fines, penalties or other charges, of whatever nature, imposed by the payment processors and/or service providers and/or banks and/or issuers of Cards on PayU in respect of or arising from your use of the Service will be debited to your account** and you hereby authorise PayU to pay such fines, penalties or charges from any credit balance held by PayU on your behalf or, if there is no such credit balance, to recover the monies directly from you by debiting the bank accounts that you have registered in respect of the Services to the value of the fines, penalties or charges. **You further indemnify PayU against any claim that may be made by the payment processors, service providers, your bank or the issuer of your Cards in respect of or arising from your use of the Service against PayU for any reason whatsoever.**

5.3 **You acknowledge that: (i) any transaction executed through use of the Service creates legal rights and obligations only between you and your own customers and PayU shall never be a party to such transaction; (ii) PayU assumes no responsibility whatsoever for the fulfilment and execution of your transactions; (iii) any online banking facilities available through use of the Service create legal rights and obligations only between you and such banks or between your customers and such banks; (iv) PayU shall not be responsible for the delivery of any products procured by any of your customers, including but not limited to late deliveries, damage to**

goods, or loss of goods; (v) PayU does not warrant that the monthly subscriptions, debit orders, ongoing monthly billing services, reports on successful and failed transactions, and/or log files shall be error free, accurate and/or complete nor do we guarantee the availability of a connection between your computer, workstation, terminal or other electronic device ("Device") and the acquiring bank. Without limiting the generality of the foregoing, PayU's disclaimer of liability includes its liability for any loss or damages incurred by you, your own customer and any bank arising from any transaction executed, or online banking facilities used through use of the Service.

6 CONSEQUENCES OF TERMINATION

Upon termination of the Service for any reason whatsoever, you shall immediately: (i) cease to access the Service; and (ii) destroy any copies of the Integration Documents. In particular, but without limiting the generality of the foregoing, you will immediately return all materials provided to you by PayU and remove any reference

to PayU and the Service from all your promotional and corporate materials, including all your electronic communications and websites.