

SUPPLIER AGREEMENT

by and between

IEMAS FINANCIAL SERVICES (CO-OPERATIVE) LIMITED

Registration / Identification Number: 1996/000001/24

Hereinafter referred to as: **"Iemas"**

With chosen *domicilium citandi et executandi* as:

Physical Address: 1249 Embankment Road, Centurion, 0157

Represented by: _____

In his capacity as: _____

Who personally warrants to be duly authorised hereto

And

Registration / Identification Number: _____

Hereinafter referred to as: **the Supplier**

With chosen *domicilium citandi et executandi* as:

Physical Address: _____

Represented by: _____

In his capacity as: _____

Who personally warrants to be duly authorised hereto

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THIS AGREEMENT CONTAINS THE TERMS AND CONDITIONS FOR THE ACCEPTANCE OF THE IEMAS CARD AS A FORM OF PAYMENT FOR GOODS AND SERVICES AT THE SUPPLIER IN COLLABORATION WITH THE BANKING INSTITUTION.

1. INTERPRETATION OF THIS AGREEMENT

- 1.1. Headings of clauses are used for convenience only and shall not be used for purposes of interpretation of this agreement.
- 1.2. Words and expressions shall have the meanings assigned to them and related expressions shall have corresponding meanings.
- 1.3. Any reference to the singular includes the plural and vice versa.
- 1.4. Any reference to natural persons includes legal persons and vice versa, and references to any gender include the other gender.
- 1.5. This agreement shall be governed by the laws of the Republic of South Africa.

2. DEFINITIONS

Words and expressions used in this agreement shall have the meanings indicated below.

- 2.1. **Card holder** means the person to whom and in whose name an **Iemas card** has been authorised and issued by or on behalf of **Iemas**.
- 2.2. **Card transaction** means the transaction whereby the **card holder** pays with the **Iemas card** for the goods or services purchased from the **supplier**, by either swiping the **Iemas card** through the **POS terminal** or by means of a **manual transaction**.
- 2.3. **Claim** means the **supplier's** right to receive payment from **Iemas** pertaining to a **card transaction** which is not invalid or a **fraudulent transaction** and complies with all the other terms and conditions as set out in this agreement.
- 2.4. **Collection fee** means the fees payable by the **supplier** to **Iemas** in respect of the gross amounts for which **card holders** purchased goods or services from the **supplier** by means of the **Iemas card**, which fee shall be _____% (_____ percent) excluding VAT.
- 2.5. **Floor limit** means the maximum payment that a **supplier** may allow a **card holder** to make with his **Iemas card** on any specific occasion without prior authorisation by **the banking institution** and/or **Iemas**.
- 2.6. **Fraudulent transaction** means any **card transaction** that would constitute fraud in terms of the common law and/or any applicable law (whether an authorisation had been issued by **the banking institution** and/or **Iemas** or not) and includes *inter alia*, without limiting the generality of the above, any transaction arising from the use of an **Iemas card** by anyone else than the **card holder**.
- 2.7. **Hot card list** means a list of those **Iemas cards** that are invalid and that is stored in the **POS terminal** or can be accessed by means of the **POS terminal** and that is updated by **the banking institution** when the **card transactions** are transmitted to **the banking institution** by the **POS terminal**.

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- 2.8. **Iemas card** means the plastic card issued by **Iemas** to a **card holder**, which card has been duly signed at the reverse side thereof by the **card holder**, and which card is recognised by the **supplier** as a valid means of payment.
- 2.9. **Manual transaction** means a transaction where the **Iemas card** cannot be read by the **POS terminal** and the details of the **Iemas card** is manually entered into the **POS terminal** by the **supplier** after obtaining an authorisation number from **the banking institution**. A **manual transaction** may only be performed when the relevant **Iemas Card** is presented and an imprint is made thereof by the **supplier**.
- 2.10. **Merchant number** means a unique identification number issued by **the banking institution** to the **supplier** for communications, authorisations, queries and transactions and which number is linked to the **POS terminal**.
- 2.11. **Party** or **parties** means **Iemas** and the **supplier** jointly and/or severally, as the case may be.
- 2.12. **POS terminal** means an electronic card reading unit supplied or approved by **the banking institution** that records the **card transactions**, produces transaction slips and is used to transfer **card transactions** to **the banking institution** and **Iemas**.
- 2.13. **The banking institution** means the supplier of **POS terminals** which facilitates the use of the **Iemas card** from time to time. The conditions attached to the supply, approval and use of **POS terminals** are governed by a separate agreement between the **supplier** and **the banking institution**.
- 2.14. **Transaction slip** means a document produced by a **POS terminal** as proof and record of a specific **card transaction**, duly signed by the **card holder**.

3. IEMAS CARD: GENERAL OBLIGATIONS OF SUPPLIER

- 3.1. The **supplier** undertakes to honour all valid **Iemas cards** presented by **card holders**.
- 3.2. The **supplier** undertakes to display adequately any reasonable publicity material supplied by **Iemas** in order to indicate that the **supplier** accepts the **Iemas card**.
- 3.3. If a refund must be made to a **card holder** in respect of a **card transaction**, the **supplier** must carry out and process the refund transaction *via* the **POS terminal** in order to effect a credit on the **card holder's** account.
- 3.4. The **supplier** must obtain the signature of the **card holder** on the **transaction slip** and must verify that it corresponds to the signature on the reverse side of the **Iemas card**. In the event that the signatures do not correspond, the **supplier** must obtain positive proof of identification from the presenter of the relevant **Iemas card** and establish whether the presenter is the **card holder**. In the event that the **supplier** cannot positively confirm that the presenter is the **card holder**, or reasonably suspects fraud, the **supplier** must reverse the transaction, obtain alternative means of payment from the presenter and immediately inform the **banking institution** and/or **Iemas** accordingly.
- 3.5. Where a **manual transaction** is done the **supplier** must obtain an imprint of the **Iemas card**, and ensure that the details of the **Iemas card** are legible and affixed to the transaction slip
- 3.6. Whenever a **card transaction** has been done, the **supplier** must give the **card holder** a copy of the transaction slip, while the original must be retained by the **supplier** for at least 180 days after the date of the **card transaction**. **The banking institution** and/or **Iemas**

may at any time during this 180-day period request the **supplier** to prove that a specific and validly issued **Iemas card** was used.

- 3.7. **The supplier** must immediately inform **Iemas** in writing should its **merchant number** changes.
- 3.8. The **supplier** undertakes to immediately inform **Iemas** in the event of a change in ownership or controlling interest, and to provide **Iemas** with any documentation that it may require in relation thereto.

4. **IEMAS CARD: AUTHORISATIONS**

- 4.1. The **supplier** must obtain prior permission from **the banking institution** before an **Iemas card** is accepted in any of the following circumstances, in which case an authorisation number will be issued by **the banking institution**:
- 4.1.1. Where a **manual transaction** takes place, whether it be on straight payment terms or on budget payment terms.
- 4.2. The authorisation number furnished by **the banking institution** in terms of 4.1 above must in all cases be put on the **transaction slip**.
- 4.3. **The banking institution** and **Iemas** reserve the right to refuse an authorisation request without giving any explanations.
- 4.4. The **supplier** shall not split, obfuscate or treat **card transactions** in any way with the intention to circumvent the need to obtain authorisation.

5. **IEMAS CARD: INVALID CARD TRANSACTIONS**

- 5.1. A **card transaction** is invalid if:
- 5.1.1. no signature appears on the **transaction slip** or the signature is not similar to the signature on the **Iemas card**;
- 5.1.2. the **Iemas card** is not inactive or has expired;
- 5.1.3. the card number of the **Iemas card** appears on the **hot card list**;
- 5.1.4. the **transaction slip** in the **supplier's** possession differs from the copy handed to the **card holder**;
- 5.1.5. the **transaction slip** is incomplete;
- 5.1.6. a damaged or mutilated **Iemas card** that was illegible was accepted;
- 5.1.7. the **supplier's floor limit** was exceeded or an extended period of payment was accepted without prior authorisation by **the banking institution** or **Iemas**;
- 5.1.8. the **card transaction** for which authorisation was obtained was not completed within seven (7) banking days;
- 5.1.9. the transaction is divided into two or more **card transactions**;

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5.1.10.the **supplier** fails to submit the **card transactions** to the **banking institution** daily;

5.1.11.the price with which the **card holder** is debited exceeds the **supplier's** normal price for goods sold and/or services rendered as envisaged in clause 7 below;

5.1.12.the **supplier** provides the **card holder** with cash on a **card transaction** if such provision of cash does not form part of the **supplier's** normal services and the said provision of cash as part of the **supplier's** normal services was not approved beforehand by **Iemas**.

5.2. **The banking institution** and/or **Iemas** may in their sole discretion determine that any of the above **card transactions** is invalid.

5.3. An invalid **card transaction** may be rejected by **Iemas** and written back to the **supplier** within one hundred and eighty (180) days of the date of the **card transaction**.

5.4. **Iemas** is entitled to debit the **supplier's** account at any time with the value of all invalid **card transactions**.

6. IEMAS CARD: FRAUDULENT TRANSACTIONS

6.1. A **fraudulent transaction** may be rejected by **Iemas** and written back to the **supplier** within one hundred and eighty (180) days of the date of the **card transaction**.

6.2. **The banking institution** and/or **Iemas** may in their sole discretion determine if a **card transaction** is a **fraudulent transaction**.

6.3. **Iemas** is entitled to debit the **supplier's** account at any time with the value of all **fraudulent transactions**.

6.4. **Iemas** reserves the right to terminate this agreement immediately if the **supplier** was party to a **fraudulent transaction** or if reasonable grounds exist to suspect that the **supplier** was party to a **fraudulent transaction**.

7. SELLING PRICE OF GOODS AND SERVICES

7.1. The selling price of goods or services shall be the price at which the goods or services are generally offered to clients of the **supplier** and shall include VAT.

7.2. The **supplier** shall not increase the selling price of goods and services because a **card holder** is making payment by means the **Iemas card**.

7.3. **Iemas** reserves the right to write back any amounts if any irregularities have occurred in this regard.

7.4. The aforesaid does not prevent the supplier to give a discount for cash.

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8. PAYMENT

- 8.1. **Iemas** is entitled to collect from the **supplier** per payment the **collection fee** on the gross amount of all **card transactions** and to offset this against any accepted **claim** of the **supplier**.
- 8.2. **Iemas** will pay accepted **claims** less the **collection fee** on or about the tenth day of each month in respect of those **claims Iemas** have received and accepted on or before the fifth day of the preceding month. If the last day for payment is a weekend or public holiday, **Iemas** will make the due payment on the first business day thereafter.
- 8.3. **Iemas** will issue a VAT invoice to the **supplier** together with the **supplier's** payment every applicable month.
- 8.4. Payments by **Iemas** to the **supplier** will only be made electronically into a South African bank account elected by the **supplier** in writing. The **supplier** may change its bank account details in writing on at least 7 business days' notice before the next payment is due.

9. TERM

- 9.1. This agreement supersedes all previous agreements concerning the subject matter hereof.
- 9.2. This agreement remains in force for an indeterminate period from the date of signature by the party signing last in time, subject to the right of any **party** to terminate this agreement in writing with at least thirty (30) days written notice to the other **party**.
- 9.3. Termination of this agreement shall have no effect on a **party's** obligations which have arisen before termination.
- 9.4. Notwithstanding 9.2 above, any **party** may immediately terminate this agreement if the other **party** breaches any material term of this agreement.

10. INDEMNITY

- 10.1. The **supplier** indemnifies **Iemas** against any legal claims that may be instituted against **Iemas** and that may originate from or arise in connection with any act or omission by **Iemas**, its employees, agents or representatives and that is related to the execution of this agreement in any way whatsoever. This indemnity does not include any intentional or *mala fide* actions by Iemas.
- 10.2. The **supplier** indemnifies **Iemas** against any and all liability arising from any dispute between the **card holder** and the **supplier** or any other third party in connection with the supply of goods or services.

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11. BREACH OF CONTRACT

- 11.1. Save for the provisions in 9.4, any of the **parties** may, if the other **party** violates any of the provisions of this agreement and fails to rectify such violation within ten (10) days of receipt of a written notice from the other **party** requiring him to do so, without prejudice of any legal rights he may have, cancel this agreement or demand specific performance from the other **party**, irrespective whether such obligations would otherwise have had to be complied with or not.

12. WAIVER AND/OR AMENDMENT OF CONTRACT PROVISIONS

- 12.1. No waiver and/or amendment of this agreement shall be of any force or effect unless agreed to and signed by the **parties**.

13. CESSION

- 13.1. The **supplier** shall not cede **claims** against **Iemas** in terms of this agreement without **Iemas'** prior written permission. **Iemas** may withhold such permission without giving any explanation.

14. DOCUMENTS AND NOTICES

- 14.1. The **parties** choose the physical addresses stated in the recital above as their respective *domicilia citandi et executandi* for the purposes of this agreement.
- 14.2. The **parties** are entitled to change their *domicilia* to any physical address within the Republic of South Africa by way of written notice to the other **party**.
- 14.3. The **supplier** undertakes to advise **Iemas** in writing of any change in his business address, telephone numbers, fax numbers, e-mail address, bank account details, ownership and website before such change comes into effect.

15. APPOINTMENT OF SUPPLIERS

- 15.1. This agreement grants no exclusivity to the **supplier** except if this is agreed in a schedule to this agreement. **Iemas** reserves the right to negotiate with any service provider as supplier and to reject or approve any application without furnishing reasons.

16. RELAXATION OR INDULGENCE

- 16.1. No relaxation or indulgence or extension of time that **Iemas** may grant the **supplier** shall be deemed a novation or waiver of any of **Iemas'** rights in terms of this agreement.

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SIGNED BY THE SUPPLIER OR ITS REPRESENTATIVE WARRANTING HIS AUTHORITY

SIGNATURE: _____

DATE: _____

PLACE : _____

WITNESS 1

NAME: _____

ADDRESS: _____

SIGNATURE: _____

WITNESS 2

NAME: _____

ADDRESS: _____

SIGNATURE: _____

SIGNED ON BEHALF OF IEMAS WARRANTING HIS AUTHORITY

SIGNATURE: _____

DATE: _____

PLACE : _____

WITNESS 1

NAME: _____

ADDRESS: _____

SIGNATURE: _____

WITNESS 2

NAME: _____

ADDRESS: _____

SIGNATURE: _____

PARTICULARS OF SUPPLIER

SUPPLIER NAME _____

SUPPLIER CODE _____ (as assigned by Iemas) **VAT NUMBER** _____

NATURE OF BUSINESS _____

CONTACT PERSON:

(Title, initials, first name and Surname & designation)

BUSINESS ADDRESS

POSTAL ADDRESS

POSTAL CODE: _____

POSTAL CODE: _____

TELEPHONE NUMBER (_____) _____

FAX NUMBER (_____) _____ CELL PHONE _____

MONTHLY STATEMENTS: **None** OR **External mail** OR **Electronic mail**

E-mail address _____

Please indicate your choice of how you would like to receive your monthly statement by marking one of the above options with a cross.

BANK DETAILS: ATTACH COPY OF CANCELLED CHEQUE/ STAMPED LETTER FROM BANK

NAME OF ACCOUNT HOLDER: _____

BANK NAME: _____

BANK ACCOUNT NO: _____

BRANCH NAME & CODE: _____

TYPE OF ACCOUNT: _____

TYPE OF BANK TERMINAL: Please mark relevant bank Please list bank merchant number/s

ABSA		
NEDBANK		

OFFICIAL USE ONLY:

NATIONAL/ REGIONAL		APPROVED BY:	
COLLECTION FEE		DATE:	
SUPPORTING DOCUMENTATION			
Proof of Banking Detail	CIPC Docs	Proof of Vat Number	
SYSTEM & OPERATIONAL			
Information & Bank Details loaded on AX	Merchant Linked	Transaction Done	Welcome Letter