

MERCHANT AGREEMENT

Master Terms and Conditions

1 August 2018



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1. Interpretation

1.1 The following words have these meanings in this agreement unless the contrary intention appears:

agreement means all the documents referred to in **clause 3.1**.

Alipay wallet means a digital wallet operated by Alipay, which has stored value funded through a variety of funding sources and enables Alipay cardholders to make transactions

approved foreign currency means a foreign currency which is designated by us from time to time as an approved foreign currency.

attempted authenticated transaction means a card transaction which you tried to authenticate using the authentication procedures, but were unable to do so because at the time you tried, either:

- (a) the card issuer was not registered with the card schemes to participate in the authentication procedures; or
- (b) the cardholder was not registered with the issuer to participate in the authentication procedures; or
- (c) the card issuer chose to bypass authentication.

authenticated transaction means a card transaction that has been authenticated using the authentication procedures.

authentication means the process whereby the identity of a cardholder is authenticated using authentication procedures such as 3D Secure protocol; branded as Verified by Visa and Mastercard SecureCode, and UnionPay International's proprietary authentication protocol SecurePay. 'authenticate', 'authenticated' and 'authenticating' have similar meanings.

authentication procedures means the procedures and requirements identified by us as being those to be followed and satisfied (respectively) when authenticating the identity of a cardholder who wishes to use their card to purchase goods or services from you over the Internet.

authentication request means a request to authenticate a proposed sales transaction using the authentication procedures.

authorisation means, in respect of a transaction, our confirmation that, at the time at which confirmation is given, the card number exists and is valid, the card has not been reported lost or stolen or blocked for use, and that funds will be made available to cover that transaction.

banking day means a day on which we are open for general banking business in Wellington and Auckland, New Zealand, except for Saturdays, Sundays and national public holidays.

bureau means a third party used by you to transmit information between you and us on your behalf.

card means a physical or virtual credit, debit or pre-paid card (as applicable) issued by a card scheme member and includes an Alipay wallet

card scheme means Visa, Mastercard, UnionPay International, Alipay, the domestic debit scheme or any other card scheme with whose card scheme rules we are obliged to comply

card scheme rules means the rules and regulations which regulate participants in the card schemes.

card security code means the 3 or 4-character code on the signature panel of a card.

cardholder means the person in whose name a nominated card has been issued.

cardholder data means any information, document

or an account number relating to a cardholder, a cardholder's nominated card number or a transaction.

chargeback means the reversal of a disputed card sales transaction to you.

chip card means a nominated card containing a computer chip that adheres to chip security standards.

chip security standards means the security standards mandated from time to time by card schemes.

commercial card means a card which the card schemes recognise as being issued for predominantly business or commercial purposes.

confidential information means all information and material we disclose to you (whether orally, in writing or in any other form) that we designate as confidential or impart to you in circumstances of confidence, under or in connection with this agreement. Confidential information includes any information relating to our business systems, operations, customers, properties, assets or affairs of us or those of our related companies. It also includes all copies, notes and records and all related information based on, or arising out of, any disclosure by us of such information or material.

confidential information does not include information or material that is:

- (a) in the public domain (other than as a result of breach of this agreement); or
- (b) independently developed, discovered or known by you.

contactless transaction means a payment method which allows the terminal to process a transaction under **\$80.00** without swiping or inserting a card or entering a PIN but excludes any transactions made by a cardholder via an Alipay Wallet. Often referred to as Tap and Go, also commonly known as Visa Paywave, or Mastercard PayPass.

CurrencySelect means the service through which merchants transact in approved foreign currencies.

CVC2 means the card verification code for Mastercard (3-character code printed on the signature panel of the card).

CVV2 means the card verification value for Visa (3-character code printed on the signature panel of the card).

CVN2 means the card verification code for UnionPay International (3-character code printed on the signature panel of the card).

data breach means any occurrence which results in the unauthorised access, retrieval, modification or deletion by any person of confidential data relating to card transactions processed by your business or any service provider used by you or the bureau providing processing, transmitting or storing services of that data on your behalf.

data security standards means the Payment Card Industry Data Security Standards ('PCI DSS') mandated by the card schemes for the protection of cardholder details, transaction information, and any additional or replacement standards of which we advise you from time to time.

directory server means a computer server which is used by a card scheme to route an authentication request from you to a card issuer.

domestic debit scheme means the interbank proprietary debit scheme governed by Payments NZ Limited Rules and Standards.

electronic commerce transaction means a transaction between you and a cardholder over the Internet and other networks using electronic equipment to initiate such a transaction.

EOV means 'electronic offline voucher' which is a process in which details of a transaction are read and stored by equipment, but are processed later than would be the case if the equipment were functioning normally and regardless of whether this occurs accidentally or because of a deliberate act or omission.

equipment means any hardware or software designed to be used to transmit, record and/or process information about transactions.

failed authentication transaction means a card transaction which could not be authenticated using the authentication procedures because the cardholder used an incorrect PIN or password.

floor limit means the applicable dollar amount known as a 'floor limit' for manual transactions, notified by us to you from time to time.

GST means a goods and services tax or any similar tax imposed in New Zealand.

intellectual property rights means all:

- (a) rights, titles and interests wherever subsisting throughout the world and whether registered or not in and to: and
- (b) copyright, author's rights, neighbouring rights, sui generis protection for the contents of databases, the protection of circuit layouts and rights of topography, designs; and
- (c) inventions, patents, utility models; and
- (d) trade secrets, know how, confidential information; and
- (e) trademarks, business names, trading styles and get up; and
- (f) any right contemplated by a treaty, convention or instrument administered by or under the auspices of the World Intellectual Property Organisation, including the right to apply for the registration, grant or other insurance of such rights, titles and interests.

letter of offer means the letter of offer or letter of acceptance (as the case may be) we give you in connection with the merchant services the subject of this agreement.

manual equipment means any equipment which is used to record a manual transaction.

manual transaction means a transaction, details of which are recorded on a voucher.

man pan refers to Manual Primary Account Number entry, which allows manual entry of credit card details into equipment.

materials means any writing, drawing, sculpture, model, photographic product, computer program, table, compilation, literary work, artistic work, sound recording, cinematographic film, two or three dimensional representation or any electronic, magnetic, electromagnetic or optical form of storage from which sounds or information may be reproduced.

merchant services means the services described in **clause 2**.

merchant software means the software which either we or the card schemes have told you is required if you wish to participate in the authentication procedures.

MOTO transaction means a card transaction involving an order for goods or services received by you by mail, facsimile, telephone or email.

nominated account means the account referred to in **clause 10.1**.

nominated card means a type of card which can be authorised and settled by us.

non-authenticated transaction means a card transaction that has not been authenticated.

non-standard card means a type of card which is not a nominated card.

notice means a notice, request, consent and any other communication in connection with this agreement.

Payments NZ means Payments NZ Limited.

personal information means information about an identifiable individual.

PAN means Primary Account Number, the numbers embossed on the front of your nominated card.

PIN means the personal identification number allocated by a card issuer or personally selected by a cardholder.

point of sale transaction is a transaction where the card, cardholder, and you are all physically present at the time of the transaction.

pre-authorisation means that a transaction that is to be processed at a later time has been authorised up to the value of the proposed transaction.

privacy law means all legislation and principles and industry codes or policies relating to the collection, use, disclosure, storage and granting of access rights to personal information.

quasi-cash transaction means a transaction involving the purchase of goods easily and routinely converted into cash such as gaming chips, money orders or foreign cash.

receipt means a document used to evidence a transaction.

recurring transaction means multiple transactions processed at predetermined intervals, not to exceed one year between transactions, representing an agreement between a cardholder and a merchant to purchase goods or services over a period of time.

relevant law means any:

- (a) statute, ordinance, code or other law including regulations and other instruments under them; and
- (b) any code of practice, guidelines or standards issued by relevant regulators or industry bodies, whether or not having the force of law; and
- (c) any card scheme rules applicable to confidential information, the provision of the merchant services and any other obligations to be performed under this agreement.

remote transaction is a transaction where any of the card, cardholder, or you are not physically present together at the time of the transaction and includes electronic commerce transactions and MOTO transactions.

surcharge fee means a fee applied to a transaction by you for the acceptance of card payments that is not applied to transactions paid for by other payment mechanisms.

Switch Provider means Paymark Limited and/or such other switch provider as we may, from time to time, have a contractual relationship with.

transaction includes a sales transaction, refund transaction and cash transaction, whether remote transactions, manual transactions or point of sale transactions.

Transport Layer Security (TLS) means the method of encryption used to keep a website page, and the transmission of data to and from it, secure.

unavailable for authentication transaction means a card transaction which you have tried to authenticate using the authentication procedures, but were unable to do so because at the time you tried:

- (a) the directory server, your computer systems, our computer systems, our payments processing agent's or contractor's computer systems or a combination of any of them was unavailable; or
- (b) you sent us an authentication request for a transaction involving a card that is excluded from participation, for example anonymous non-reloadable gift cards and Visa commercial cards issued in the United States of America; or

- (c) the issuer was registered with the card schemes to participate in the authentication procedures, but;
- (d) the computer system of the issuer was unavailable; or
- (e) the issuer could not process the authentication request.

UnionPay means the card scheme known as UnionPay International.

UnionPay card means a card solely displaying a UnionPay International logo. Some banks issue dual-branded cards, which display a UnionPay International logo and also a Visa or Mastercard logo. In a card-present or MOTO transaction, if a dual-branded card displays a Visa logo, the card is then processed as a Visa card, or if it displays a Mastercard logo, the card is then processed as a Mastercard. This happens automatically. In an electronic commerce transaction, the cardholder selects whether a dual-branded card is processed as UnionPay or as Visa/Mastercard by selecting UnionPay or Visa/Mastercard as a payment method prior to entering the card details.

voucher means a document used to evidence a manual transaction.

we, our and **us** means Bank of New Zealand.

you and **your** means the person or persons named as the addressee in the letter of offer. If there is more than one, you means each of them separately and every two or more of them jointly.

1.2 In this agreement unless the contrary intention appears:

- (a) this agreement, the letter of offer, another document or any schedule or annexure includes any variation or replacement of any of them; and
- (b) a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and
- (c) the singular includes the plural and vice versa; and

- (d) the word 'person' includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency or authority; and
- (e) a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assignees; and
- (f) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally; and
- (g) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day; and
- (h) a day is to be interpreted as the period of time commencing at midnight and ending twenty-four (24) hours later; and
- (i) anything (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively, to any two or more of them collectively and to each of them individually; and
- (j) a 'dollar' or the symbol '\$' is a reference to New Zealand dollars; and
- (k) the verb 'include' (in all its parts, tenses and variants) is not used as, nor is it to be interpreted as, a word of limitation; and
- (l) the words 'including', 'for example' or 'such as' are not to be used as, or interpreted as, words of limitation.

1.3 Headings are inserted for convenience and do not affect the interpretation of this agreement.

2. Merchant Services

2.1 Subject to applicable law and this agreement, we will provide you with the merchant services described in the letter of offer and in any other agreement for specific merchant services that you and we enter into from time to time.

2.2 If you have not signed or accepted a letter of offer, but start using the merchant services described in that letter of offer, you will be deemed to have accepted that letter of offer in full from the date of your first use, and be required to pay any fees and all other amounts payable in connection with those merchant services. Under this agreement, you are not entitled to use any other services related to the merchant services, unless we agree otherwise.

3. Your Obligations

General obligations

3.1 You must comply with all the requirements and pay any fees which apply to you in:

- (a) these general terms and conditions; and
- (b) the letter of offer accepted by you; and
- (c) any merchant service guide, card fraud prevention guide, equipment agreements, manuals or instructions provided by us to you for the purposes of this agreement, or provided by another supplier of equipment, whether specifically mentioned in this agreement or not; and
- (d) the terms and conditions relating to any specific merchant services, in addition to those covered by these general terms and conditions, whether or not they are contained in a schedule in your letter of offer.

3.2 To the extent of any inconsistency between the documents referred to in **clause 3.1**, the following rules shall apply:

- (a) the letter of offer prevails over all other documents; and
- (b) the terms and conditions for specific merchant services prevail over these general terms and conditions; and
- (c) these general terms and conditions prevail over the remaining documents.

3.3 You must:

- (a) immediately notify us of any change to your financial position which may affect your ability to perform your obligations under this agreement; and
- (b) not carry on business in a place which has not been approved by us and must not move your place of

- business without our prior written consent, which consent will not be unreasonably withheld; and
- (c) not change your business name, ownership of your business or substantially change the type of goods and services you sell, without our prior written consent, which consent will not be unreasonably withheld; and
- (d) unless approved by BNZ, only process transactions where you are the seller and supplier of goods and/or services; and
- (e) not process transactions on behalf of a third party. For the avoidance of doubt, this includes not processing payments for goods or services sold on another person's website; and
- (f) allow our employees, contractors, sub-contractors or agents or those of any card scheme to enter your premises as reasonable during normal business hours to check your compliance with this agreement or the card scheme rules; and
- (g) provide us with all information and assistance we reasonably require to perform our obligations and to deal with any queries in relation to our provision of the merchant services; and
- (h) comply with all relevant laws and contractual requirements in:
 - (i) carrying on your business, and
 - (ii) entering into transactions, and
 - (iii) performing your obligations under this agreement; and
 - (iv) provide us, on our request, with written opinions from independent, reputable, and qualified legal counsel confirming that your activities comply fully with all relevant laws; and
 - (v) not do anything by your act or omission that would cause us to breach any law or relevant card scheme rules.
- (i) Co-operate with us to mitigate the risks of any invalid transactions (as described in **clause 9.1**) including adopting any reasonable precautionary measures within the timeframes requested by us or any card scheme

3.4 You acknowledge and agree that the card scheme has the right to enforce provision of the card scheme rules against you and to prohibit any conduct that may harm the card scheme.

3.5 For the purpose of **clause 3.2**, the terms and conditions of **clause 3.4** are deemed to be terms and conditions for specific merchant services.

UnionPay International additional terms and conditions

- 3.6** You acknowledge and agree that in respect of UnionPay card transactions, unless otherwise advised by us, the following must apply:
- (a) In the case of a card-present transaction, they may only be processed when the UnionPay card and the UnionPay cardholder are both present at the time you process the transaction; and
 - (b) You must not process them using a EFTPOS terminal in EOV; and
 - (c) you must not seek manual or voice authorisation for UnionPay card transactions; and
 - (d) in the case of a card-present transaction they must be evidenced by the UnionPay cardholder signing the transaction receipt. This signing requirement also applies to pre-authorisations. In addition to signing, if a UnionPay cardholder has a PIN loaded against their card, you must also ask the UnionPay cardholder to enter their PIN into the EFTPOS terminal; and

- (e) they cannot be processed for the purpose of giving the UnionPay cardholder cash; and
- (f) if it is a pre-authorisation completion transaction, it must be processed within 30 days from the date of the original pre-authorisation transaction; and
- (g) once they are authorised and processed, can only be refunded if:
 - (i) the UnionPay card that was used in the original sales transaction is used for the refund and in the case of a card-present transaction, only if that UnionPay card and the UnionPay cardholder are both present at the time of the refund; and
 - (ii) In the case of a card-present transaction, the cardholder used their PIN and signed the transaction receipt for the original sales transaction and the refund transaction; and
 - (iii) details of the original sales transaction match the details of the refund transaction; and
 - (iv) the refund transaction is processed within 30 days of the original sales transaction; and
 - (v) the refund amount is returned to the UnionPay cardholder's account that was used for the original transaction; and
 - (vi) any other requirements set out in the UnionPay User Guide.

Data security standards

- 3.7**
- (a) Unless otherwise advised by us, you must comply with the data security standards, which, among other things, means that you must successfully complete the protocols for the data security standards within the time frame stipulated by us or the card schemes; and
 - (b) You acknowledge and agree that:
 - (i) you have processes and procedures in place that meet the data security standards and you follow those processes and procedures; and
 - (ii) we are obliged to report all data breach events to card schemes, law enforcement agencies and/or New Zealand regulators. You grant irrevocable and enduring consent for the release of details of any such data breach to the aforementioned bodies; and
 - (iii) if you use a third party who is involved in processing, transmission or storage of your transactions, then you must ensure that the third party confirms to you on an ongoing basis that it meets the data security standards; and
 - (iv) you will advise us immediately if you become aware of any data breach, whether suspected, potential, anticipated, attempted or actual relating to cardholder data held by you or on your behalf; and
 - (v) if we become aware of, or suspect, any such data breach, we may, in our sole discretion, appoint an investigator to complete a forensic investigation to identify the source and scope of such data breach; and
 - (vi) you will provide full access to your systems, databases and premises and will arrange for access to any third party systems, databases and premises that you use in the provision of your goods and/or services to us and our investigators; and
 - (vii) if any such data breach occurs at any bureau used by you, you will ensure that we, or our chosen investigator, have access to your bureau's network and systems to complete an investigation in relation to such breach; and

- (viii) you will be liable for all costs incurred by us in relation to such investigation and remediation of any data breach confirmed by us or our investigator; and
- (ix) where any data breach is confirmed by us or our investigator, then in order to continue processing card transactions, you must undergo a full Payment Card Industry Data Security Standard (PCI DSS) accreditation by an approved Qualified Security Assessor (QSA). All costs of this accreditation exercise must be paid by you.
- (c) You acknowledge and agree that if you fail to comply with **clauses 3.7 (a) or (b)**, or if there is any data breach relating to cardholder data held by you:
 - (i) we may terminate the merchant services; and
 - (ii) you are liable for any fines, fees or other costs imposed upon us by the card schemes (directly or indirectly) or any other loss, cost, damages or expense incurred by us as a result of such failure or data breach; and
 - (iii) you are liable for any fines, fees or other costs which the card schemes may levy (including any fines or fees levied on us) in the event you suffer a card data compromise incident, and have not complied with the PCI DSS accreditation programme.

Your duties to cardholders

- 3.8** Subject to the other provisions of this agreement, you:
- (a) must accept any valid and acceptable nominated card in a transaction; and
 - (b) unless agreed by BNZ, must only send us a sales transaction when you have provided or are the provider of the goods and services to the customer; and
 - (c) must not accept a nominated card in a credit card transaction for giving a cardholder cash; and
 - (d) must not, in relation to any valid and acceptable nominated card used in a debit card transaction for giving a cardholder cash, charge a fee for that transaction, unless it is your core business or is agreed to by us; and
 - (e) must perform all obligations (including, without limitation, supplying or agreeing to supply all goods and/or services) to the cardholder in connection with a sale before informing us about the sales transaction; and
 - (f) must not sell, purchase, provide or exchange any cardholder data to any person other than:
 - (i) us; and
 - (ii) the agents you use in your business for a purpose approved by us; and
 - (iii) the card issuer; and
 - (iv) as required by law, and
 - (v) when a document is no longer required to be retained, it must be destroyed in a manner which makes the information unreadable; and
 - (g) must take reasonable steps to ensure that cardholder data is protected from misuse and loss and from unauthorised access, modification or disclosure; and
 - (h) must not make any representation in connection with any goods or services which may bind us, our agents or service providers or any card scheme; and
 - (i) must not indicate or imply that we or any card scheme endorse any goods or services or refer to a nominated card in stating eligibility for goods, services or any membership; and
 - (j) must not accept a nominated card or a transaction

which is of a type we have previously advised you is not acceptable to us; and

- (k) must provide sufficient training to your employees, contractors and other personnel to ensure you meet your obligations under this agreement; and
- (l) must prominently and unequivocally inform the cardholder of your identity at all points of cardholder interaction (including without limitation on any relevant website, promotional material and invoice) so that the cardholder can readily distinguish you from any supplier of goods or services to you or any other third party; and
- (m) must provide notice to any cardholder with whom you enter in to a transaction that you are responsible for that transaction, including for any goods and services provided, any payment transaction, related service inquiries, dispute resolution and performance of the terms and conditions of the transaction; and
- (n) must not distinguish between issuers of a nominated card in processing a transaction; and
- (o) must, if we have notified you that you can offer cardholders an instalment option:
 - (i) disclose to them in writing whether the instalment terms limit the goods or services that the cardholder may purchase. The disclosure must also include the shipping and handling charges and any applicable tax; and
 - (ii) inform a cardholder not billed in the transaction currency that each instalment amount may vary due to currency conversion rate fluctuations; and
 - (iii) subject to **clause 3.9** ensure that the sum of the instalment transaction does not exceed the total price of the goods or services; and
 - (iv) obtain authorisation for all transactions; and
 - (v) not add any finance charges to the instalment transaction.
- (p) must not transfer or attempt to transfer financial liability under this agreement by asking or requiring a cardholder to waive his or her dispute rights.

Surcharging

3.9 If you charge a surcharge fee in relation to a transaction:

- (a) you must ensure that:
 - (i) the surcharge fee is disclosed to the cardholder prior to the completion of the transaction and the cardholder is given an opportunity to cancel the transaction; and
 - (ii) the surcharge fee is included as part of the total amount of the transaction and not collected separately; and
 - (iii) the surcharge fee bears a reasonable relationship to your cost of accepting nominated cards for payment; and
 - (iv) the surcharge fee is applied on a flat rate or percentage basis; and
- (b) your disclosure to the cardholder must:
 - (i) inform the cardholder that a surcharge fee is applied; and
 - (ii) inform the cardholder of the surcharge fee amount or rate; and
 - (iii) not describe the surcharge fee as, or inform the cardholder that the surcharge fee is applied by a card scheme, us or a third party financial institution; and
 - (iv) include notices, signs or decals disclosing that you assess a surcharge fee. Such notices, signs or decals must be displayed in a conspicuous location or location at

the point of sale at each of your business premises, or, in the absence of a physical point of sale, prominently during an electronic commerce transaction or communicated clearly during a MOTO transaction so that all cardholders will be aware of the surcharge fee; and

- (v) be clearly displayed or communicated in the transaction, environment or process, including (if there is a physical point of sale) at the terminal or cashier's desk and be of as high a contrast as any other signs or decals displayed.

4. Accepting Nominated Card Details

4.1 You must:

- (a) use reasonable care to detect forged or unauthorised signatures or the unauthorised use or forgery of a nominated card or PINs; and
- (b) notify us if you become aware of or suspect fraud on the part of a cardholder; and
- (c) not deliberately reduce the value of any one transaction below your floor limit by:
 - (i) splitting a transaction into two or more transactions; or
 - (ii) allowing a cardholder to purchase items separately; and
- (d) if a card transaction for a sale does not cover the full amount of the sale and the payment terms have been agreed, obtain the balance due at the time the sale is completed using another payment method. However, where a nominated card is used to make a deposit or pay an instalment, you may accept a nominated card in payment of all or part of the outstanding balance; and
- (e) not state or set a minimum or maximum amount for a card transaction without our prior written consent; and
- (f) not ask a cardholder to reveal their PIN or any other secret identifier; and
- (g) not accept any electronic commerce transaction involving a card if you are aware that a previous transaction involving that card has been charged back; and
- (h) contact us for instructions if the identification of a cardholder or the validity of the nominated card is uncertain.

Refunds

4.2 You must:

- (a) only approve any card transaction refunds up to the amount advised by us from time to time; and
- (b) control and be responsible for the security of the passwords, access codes, cards or any other facility provided by us to enable you to process refunds; and
- (c) establish a fair policy for dealing with refunds and disputes about transactions and include information about that policy on transaction receipts as required by us; and
- (d) only process a transaction as a refund if it is a genuine refund to a cardholder of a valid sales transaction, unless otherwise consented to by us; and
- (e) if you process a refund transaction, process it to the same card that was used in the original sales transaction and be for the original sale amount of the goods or service the subject of the refund; and
- (f) not give refunds for transactions by means of cash or cheque; and
- (g) not process a refund transaction as a way of transferring funds between your accounts.

Point of sale transactions

4.3 You must:

- (a) insert a chip card into your terminal if it can read chip cards; and
- (b) enable a contactless card to be read by the electronic equipment if you have it, otherwise swipe or insert it following any prompts, including those indicating the need for a PIN and/or signature; and
- (c) verify that the signature on a nominated card matches the signature (if any) on the voucher or receipt; and
- (d) if the signature panel on a nominated card is blank, in addition to obtaining authorisation for the transaction, you must ask the cardholder for additional identification information, but not record it. If you are satisfied that the information you are given is true and correct, you must ask the cardholder to sign the nominated card; and
- (e) verify that the cardholder resembles the person in any photograph intended for identification on the nominated card; and
- (f) offer and, unless the cardholder indicates otherwise, give the cardholder a copy of the voucher or receipt immediately after completing the transaction.

Manual transactions

4.4 You must:

- (a) process the transaction using the required manual equipment; and
- (b) only use vouchers and manual equipment which we supply to you or which we approve; and
- (c) if the required manual equipment is not working or it is a MOTO transaction, legibly record the information required by **clause 6.1** on the document intended to be the voucher, or otherwise submit the details in accordance with processes approved by us.

Remote transactions

4.5 You must:

- (a) take reasonable steps to verify the identity of the person you are dealing with, in order to confirm that they are the genuine cardholder, including by observing and implementing the recommendations in any fraud prevention guide we provide you; and
- (b) record reasonable identification details of the person you are dealing with, as well as the commencement and expiry dates of the nominated card, and verification numbers.

Recurring transactions

4.6 You may only process a transaction as a recurring transaction if:

- (a) you have obtained the cardholder's permission (either electronically or in hard copy) to periodically

- charge for a recurring service; and
- (b) you retain this permission for the duration of the recurring services and make it available to us on request; and
- (c) you provide a simple and accessible online cancellation procedure, if the cardholder's permission to periodically charge for a recurring service was initially accepted online.

4.7 You must not:

- (a) include partial payment for goods or services purchased in a single transaction; or
- (b) add any additional finance charges on a recurring transaction; or
- (c) complete a recurring transaction if you receive a decline or pickup response, or a cancellation notice from the cardholder.

Quasi-cash transactions

4.8 **Clauses 4.8 to 4.13** (inclusive) apply, if you conduct quasi-cash transactions. To the extent that there is any inconsistency between this clause and the other provisions of the agreement, **clauses 4.8 to 4.13** (inclusive) will prevail.

4.9 **You must** process a quasi-cash transaction as a purchase transaction, not a cash out transaction.

4.10 **You must** identify the cardholder as follows:

- (a) you must sight positive identification of the cardholder, and indicate the type of identification sighted, including any serial number, on the transaction receipt; or
- (b) you must note on the transaction receipt that you verified the cardholder's identity by the photograph on the card.

4.11 When the customer is required to sign the transaction receipt, you must verify that the signature on the card matches the signature on the transaction receipt. In addition:

- (a) where **clause 4.10(a)** applies, you must verify that the details on the identification presented by the cardholder matches the details on the card; and
- (b) where **clause 4.10(b)** applies, you must verify that the cardholder resembles the person depicted in any photograph intended to be used as identification on the card.

4.12 **You must** do the following before completing the transaction:

- (a) compare the first four digits of the embossed card account number to the first four digits printed below the card account number (if the numbers do not match, do not proceed with the transaction); and
- (b) record the printed first four digits on the front of the transaction receipt.

4.13 **You must** clearly disclose to the cardholder any commission you charge for accepting a quasi-cash transaction and include that charge in the total transaction amount, before completing the transaction.

Equipment

4.14 For transactions using equipment, **you must:**

- (a) comply with the relevant equipment user guide; and
- (b) only use equipment certified by us or the Switch Provider and that complies with the standards set by the domestic debit scheme; and
- (c) ensure that you use equipment only as permitted by your agreement with us or your supplier; and
- (d) without limiting any other clause of this agreement, allow our employees, contractors, subcontractors or agents to enter your premises as reasonably required by us during normal business

hours to:

- (i) install, inspect, maintain and remove equipment we own or supply; and
- (ii) inspect the condition and operation of equipment owned by others.
- (e) process all transactions by reading card data with the equipment except where the equipment cannot read the nominated card, in which case the relevant transaction must be processed as a manual transaction; and
- (f) if keying details into a terminal, obtain our prior approval for a MAN PAN facility unless the transaction is a MOTO transaction or an electronic commerce transaction, and in all cases you must control and be responsible for the security of such manual key entry; and
- (g) not deliberately engineer a situation in which a transaction must be processed through EOV, whether by interfering with the equipment or otherwise.

Website requirements

4.15 **You must**, before you accept any electronic commerce transaction over the Internet, at your own expense establish and maintain a website approved by us which clearly displays the following information:

- (a) your business name; and
- (b) the address of your approved place of business (note that if you work from home, you must include the city and country of your approved place of business, but you are not required to provide the residential address); and
- (c) your business contact details, including telephone and facsimile numbers and an email address for your business and your customer service contacts; and
- (d) a complete description of the goods and services available for purchase on your website with the price clearly stated in New Zealand dollars or, if using CurrencySelect, you may display the price clearly stated in an approved foreign currency; and
- (e) a clear statement that your business is a New Zealand business and that all transactions will be billed in New Zealand dollars, except that you may indicate that transactions will be billed in an approved foreign currency if using CurrencySelect; and
- (f) details of your return/refund policies, cancellation policies, and other purchase terms and conditions, and a confirmation of acceptance of the terms and conditions upon customers' purchases; and
- (g) details of your delivery times for goods and services. Delivery times must be appropriate for your type of business. If the delivery is to be delayed, the cardholder must be notified of the delay and an option provided to obtain a refund; and
- (h) details of any New Zealand export restrictions (if applicable); and
- (i) if you bill a cardholder on a subscription basis in relation to an electronic commerce transaction, a statement that billing will occur on a monthly or other regular cyclical basis. This must be stated on the page of your website used by the cardholder to communicate payment details; and
- (j) the choice of payment brands by showing the nominated card's brand mark in full colour; and
- (k) any other information which we require by written notice to you to be displayed from time to time.

4.16 **You must:**

- (a) maintain a relationship with an Internet service provider at your own expense for the purposes of maintaining the website for customers and facilitating electronic communications; and

- (b) ensure that your business name corresponds with the name of your website and the name that will appear on cardholder statements and as advised on the transaction receipt; and
- (c) if you wish to change your:
 - (i) website address; or
 - (ii) email address; or
 - (iii) telephone or fax number;

you must advise us in writing at least ten (10) banking days prior to the change taking effect.

4.17 Prior to commencing live operation of the merchant service on your website, you must successfully complete and satisfy all test scripts supplied by us and undertake your own testing in the test mode to ensure that:

- (a) transactions are accessible by you through the Internet payments merchant reporting module; and
- (b) any reporting requirements you have are working to your satisfaction; and
- (c) when we are satisfied all of our operational requirements are met, we will allow you to use the merchant services on your website in live operation.

4.18 You must provide us reasonable access to view, monitor and audit the pages of your website. You also agree that we may, at our discretion, periodically have a card scheme endorsed third party review your website to ensure compliance with any relevant laws.

4.19 You agree that we may, using a card scheme endorsed and certified third party, periodically perform information security or vulnerability scans on your website and/or servers to ensure that you are complying with the data security standards.

4.20 If you wish to undertake any substantial changes to your website, you must give us at least ten (10) banking days' notice. You must undertake and satisfy testing in accordance with the procedure set out in **clause 4.17** prior to any such changes going into live operation. We shall not be obliged to continue the live operation of the merchant service until we are satisfied that all of our then current operational requirements are met and it is acceptable to continue with the merchant service.

4.21 Your website payments page must be protected by a form of security method approved by us for your website. You must state on your website payments page that the page is secured by the form of security method approved by us.

4.22 Your website payments page must request that the cardholder provides the card security code when entering the card details for the transaction.

4.23 Your website must outline how cardholder data is protected.

4.24 We may require you to make alterations to your card acceptance policies and procedures to ensure you remain in compliance with the card scheme rules, including alterations to your website.

5. Transaction Authorisation and Authentication

Authorisation

5.1 You acknowledge and agree that obtaining authorisation for a transaction is not a guarantee of payment arising from that transaction. An authorisation only confirms that at the time the authorisation was obtained the card number exists and is valid and the card has not currently been listed as lost or stolen and that the card has sufficient funds to cover the transaction. For example, it does not guarantee that the person using the card is the genuine cardholder.

5.2 You must:

- (a) without limitation to the remainder of this clause, comply with any authorisation procedures of which we advise you including, without limitation, in relation to electronic commerce transactions and MOTO transactions; and
- (b) obtain prior authorisation from us on the transaction date for manual transactions:
 - (i) for any transaction where the value of the transaction is over your applicable floor limit; or
 - (ii) if the transaction is for the payment of an instalment for goods and/or services; or
 - (iii) as instructed by us through the equipment or otherwise; and
- (c) for a manual transaction, record on a single voucher all items purchased in a single transaction or obtain a separate authorisation on the transaction date for each separate voucher with a value above your applicable floor limit; and
- (d) for a point of sale transaction, obtain prior authorisation for any transaction on the transaction date where:

- (i) the embossed or printed account number on the nominated card is different from the account number or the displayed account number indented or encoded or otherwise shown on the nominated card; or
- (ii) you would process the transaction using manual equipment, but your manual equipment is not working; or
- (iii) you suspect that a signature is unauthorised or that there is an unauthorised use or forgery of the nominated card; or
- (iv) the nominated card signature panel is blank; or
- (v) we have told you not to accept the nominated card;

and seek to retain the nominated card by reasonable, peaceful means until that authorisation is given; and

- (e) for an electronic commerce transaction, submit the expiry date of the nominated card and card security code to us, identify the transaction as an electronic commerce transaction and seek authorisation using the applicable equipment.

5.3 There is no floor limit for MOTO and electronic commerce transactions.

5.4 For a MOTO transaction or an electronic commerce transaction requiring goods to be shipped, you may obtain an authorisation from us up to seven (7) days before the date on which the goods are actually shipped. If your delivery of merchandise is not completed or services are not performed within seven (7) days of the date of such authorisation, then that authorisation will have expired and a fresh authorisation must be obtained for the balance of the transaction in respect of which delivery of merchandise has not completed or services

have not been performed.

- 5.5** Transactions on contactless cards are subject to a contactless limit and an accumulated contactless limit allowing a number of low value transactions to be authorised off-line before the accumulated limit is reached. If either of these limits is reached, transactions on contactless card transactions must be authorised electronically and you may be prompted to swipe or insert the card and obtain a signature or PIN. You will not be able to override either of these limits.
- 5.6** You must seek to recover or retain a nominated card by reasonable, peaceful means when we request you to do so. You must notify us when you have recovered or retained a nominated card and comply with such further instructions we give you.
- 5.7** A point of sale transaction or electronic commerce transaction will usually process an authorisation request automatically. If, for any reason, such transactions are not processed automatically, you must obtain authorisation by another method.

Online Authentication

- 5.8** You acknowledge and agree that to participate in the authentication procedures:
- (a) **you must:**
- (i) currently be receiving Internet merchant services from us; and
 - (ii) have had your payment processing systems, equipment and those of any bureau you wish to use approved by us; and
 - (iii) maintain and operate the merchant software in accordance with all the requirements which we or the card schemes have notified you; and
 - (iv) keep any password we give you secure and not disclose it to any third party who has not been authorised by us or you; and
 - (v) comply with all manuals, guides or directions we or the card schemes give you from time to time regarding the authentication procedures; and
 - (vi) unless we agree otherwise, send us an authentication request each time a cardholder wishes to purchase goods or services from you on your website using their card; and
 - (vii) carry out any additional authorisation procedures which arise out of authenticated transactions and of which we advise you in writing from time to time; and
 - (viii) immediately take action to remedy any default or non-compliance of which you become aware and promptly notify us of when you expect to be able to remedy the default or comply, as the case may be.
- (b) BNZ may, at its discretion, require you to support and use online authentication programmes including Verified by Visa and/or Mastercard SecureCode, and UnionPay SecurePay.
- (c) **you must not:**
- (i) change your payment processing systems, equipment or any bureau you use for the purposes of the authentication procedures unless we have first approved the proposed change to any of them; or
 - (ii) use or alter any logos, names, trademarks, get ups or holograms for a card scheme for or in relation to the authentication procedures without our prior written consent.
- 5.9** **If you send us either:** an authenticated transaction; or an attempted authenticated transaction, which we then authorise and process, we will not charge it back

to you on the basis that the cardholder claims that they were not the person who purchased goods and services from you on your website. In this case, to the extent of any inconsistencies between this, **clause 5.8** and the remainder of these general terms and conditions, **clause 5.8** prevails.

- 5.10** **If you send us either:** a non-authenticated transaction; or an unavailable for authentication transaction, we may at our absolute discretion decide to accept the transaction for processing and, if we do:
- (a) we will process it as though you were not participating in the authentication procedures and the usual chargeback provisions in **clause 9** will apply; and
 - (b) you acknowledge and agree that we may, but are not obliged to accept any further non-authenticated transactions or unavailable for authentication transactions from you for processing.
- 5.11** You must not accept a failed authenticated transaction for processing.
- 5.12** **You acknowledge and agree that:**
- (a) the authentication procedures are based on card scheme rules which may vary from time to time. You agree to promptly comply with any variations which are initiated by the card schemes or are introduced by us and of which you are notified in writing by either us or the card schemes; and
 - (b) any fines or similar costs imposed on us by a card scheme because of your conduct arising out of the authentication procedures are payable by you as a fine in accordance with **clause 13** of this agreement; and
 - (c) we are not liable for any loss or damage (including indirect and consequential) you suffer or incur as a result of your participation in the authentication procedures, except to the extent your loss or damage was caused by our negligent or fraudulent acts or omissions; and
 - (d) any use by you of a bureau (including without limitation an Internet service provider or technology support provider for the purposes of the authentication procedures) is at your risk; and
 - (e) if you send us either a non-authenticated transaction or an unavailable for authentication transaction you do so at your own risk and understand that in doing so we may chargeback the transaction to you on the basis that the cardholder alleges that they did not purchase goods or services from you on your website; and
 - (f) we may decide to suspend or terminate your participation in the authentication procedures at our absolute discretion; and
 - (g) once you no longer receive Internet merchant services from us, you no longer are entitled to participate in the authentication procedures and must immediately destroy the password and any other materials, including without limitation any guides and manuals regarding the authentication procedures which we have given you.
- 5.13** If we decide to suspend or terminate your participation in the authentication procedures:
- (a) we will notify you as soon as practicable of our decision to do so; and
 - (b) while your participation has been suspended or terminated, we will continue to process your transactions in accordance with this agreement as if you had not participated in the authentication procedures. In this case, the usual chargeback provisions in **clause 9** will apply; and
 - (c) that suspension will continue until we notify you of our decision to reinstate your participation.

6. Vouchers and Receipts

- 6.1** You must prepare a voucher or receipt for each transaction. The information contained on it must be identical with the information on any other copy and must legibly include:
- (a) the amount of the transaction; and
 - (b) its date and time (if practicable); and
 - (c) a description of any goods or services sold sufficient to identify them; and
 - (d) details of any cash provided; and
 - (e) an indication of the relevant card scheme; and
 - (f) the currency symbol or three letter acronym if it is an approved foreign currency; and
 - (g) details of card number (in truncated form unless on a voucher), cardholder, terminal (if any) and merchant; and
 - (h) the transaction authorisation number (if any); and
 - (i) the signature of the cardholder for a point of sale transaction (unless a PIN is used instead of a signature), such signature having been verified by you with reference to the signature on the card; and
 - (j) card expiration date; and
 - (k) for chip card transactions, all requirements of the card schemes of which we notify you; and
 - (l) the surcharge fee (if any), indicated in the transaction currency; and
 - (m) all other requirements provided for in your letter of offer; and
 - (n) all other requirement of the card schemes of which we notify you from time to time; and
- 6.2** *For electronic commerce transactions:*
- (a) the merchant's name most recognisable to the cardholder; and
 - (b) customer service contact information; and
 - (c) terms and conditions of sale, if restricted, including details of any restrictions on returns or refunds; and
 - (d) the exact date that any free trial ends, if offered; and
 - (e) cancellation policy; and
 - (f) whether the transaction is a debit or credit transaction; and
 - (g) your website address; and
- (h) a unique order identification number (as determined by you).
- 6.3** Receipts and vouchers for electronic commerce transactions must not contain any details of the cardholder's account or the cardholder number, unless we agree otherwise.
- 6.4** For a point of sale transaction, you must give the cardholder a copy of the receipt immediately after completing the transaction.
- 6.5** For an electronic commerce transaction, you must send the cardholder a copy of the receipt immediately following completion of the transaction. The receipt may be sent by email, wirelessly delivered formats such as SMS (Short Message Service) text messages, or by facsimile or by surface mail. If a link to a website is provided, you must provide clear instructions to the cardholder for accessing the receipt on the website.
- 6.6** For a remote transaction (other than one which is an electronic commerce transaction), you must give the cardholder a copy of the voucher or receipt as soon as is reasonably possible after one is requested by the cardholder. In addition, you must write 'MO' for a mail order or a facsimile order and 'TO' for a telephone order on the signature line of the receipt.
- 6.7** You must not require a cardholder to sign a transaction receipt or voucher until the final transaction amount is entered on the receipt or voucher.
- 6.8** You must retain for at least thirteen (13) months after a transaction:
- (a) for a point of sale transaction, the original voucher or receipt; or
 - (b) for a remote transaction, the receipt and any document which is evidence of the cardholder's request to you to charge amounts through the nominated card.
- 6.9** You must provide us with the voucher or receipt or any other evidence of the transaction within five (5) banking days if we ask for it. If you fail to do so to our satisfaction, we may charge a sales transaction back to you if the amount cannot be collected from the cardholder.
- 6.10** You must allow us to examine your records relating to any transaction.

7. Informing Us About Transactions

- 7.1** We have no liability arising from or in relation to any information given to us until we are satisfied that it has been received in accordance with this agreement.
- 7.2** You must give us information about a transaction:
- (a) by entering the transaction immediately if you are using equipment, unless EOV applies, in which case details must be entered on the equipment within five (5) banking days; or
 - (b) within three (3) banking days after the transaction if you used manual equipment and a voucher for the transaction; or
 - (c) within the timeframes we specify from time to time in relation to other transaction methods; or
 - (d) within three (3) banking days of our request to you if we require any information in respect of an electronic commerce transaction.
- 7.3** In giving us information on a transaction or otherwise for the purposes of this agreement, you warrant on an ongoing basis that:
- (a) all the particulars are true; and
 - (b) the transaction is valid and acceptable; and
 - (c) the cardholder is not disputing the transaction or making a counterclaim.
- 7.4** In giving us the information referred to in **clause 6.2**, you give us an irrevocable order to act in relation to that information in accordance with this agreement.

- 7.5** You must give us information about a transaction only in the form and using a method approved by us for your use.
- 7.6** In addition to any other information you are required to give us about a transaction, you must separately and uniquely identify any transaction which we have previously advised you is a high risk transaction.

- 7.7** Electronic commerce transactions must be separated from MOTO transactions when submitted to us for processing.

8. Using A Bureau

- 8.1** If you choose to use a bureau in connection with the transmission of information to us, you must:
- notify us in writing before you commence, or change, using such bureau; and
 - give us such information as we may reasonably require in relation to that bureau; and
 - only use a bureau that we have approved; and
 - ensure that any bureau you use has and maintains a bureau certification agreement with us or any other agreement we require.
- 8.2** Any bureau you use is at your cost and risk.
- 8.3** You acknowledge and agree that we are not liable or responsible for any losses, claims, damages, costs or expenses suffered by you (including consequential loss) arising from or in connection with any act or failure to act by your bureau in connection with a transaction or the merchant services.
- 8.4** You acknowledge that if you use a bureau in connection with informing us about transactions:
- we may register your bureau as a third party processor with the card schemes; and
 - we are entitled to rely on any information or instructions that we receive from that bureau on your behalf as if such information or instructions were received from you. This also applies to any information we process in reliance on the information received from the bureau on your behalf.
- 8.5** Should a bureau cease operating or if we no longer approve a bureau, we will no longer accept transactions sent by that bureau. Further, we will not be responsible for any ongoing costs, including migration costs, arising from us no longer receiving or accepting transactions sent by a bureau. All such costs will be your responsibility.
- 8.6** If you use another party as a bureau in connection with informing us about transactions and you hold a software licence to facilitate processing of your electronic commerce transactions:
- you may need to disclose your system security information (including passwords or access codes) to your bureau to use in connection with electronic commerce transactions conducted on your behalf; and
 - if we receive any information or request for authorisation from a bureau on your behalf, we will compare the security information given by the bureau with your security information, and:
 - if the security information is not correct, we will refuse authorisation; or
 - if the security information is correct, we may authorise the electronic commerce transaction and will be entitled to rely on **clause 8.4**.
- 8.7** It is your responsibility to ensure that any bureau which you use complies with the terms and conditions contained in this agreement when conducting any electronic commerce transaction on your behalf, as if it were bound by those terms and conditions.

9. Transactions Not Valid or Not Acceptable

- 9.1** A transaction for a sale, refund or provision of cash is not valid if:
- the transaction is illegal; or
 - the signature on the voucher, receipt or authority is forged or unauthorised; or
 - the transaction is before or after any validity period indicated on the relevant nominated card; or
 - we have told you not to accept the nominated card; or
 - the transaction is not authorised by the cardholder; or
 - the particulars on the copy of the voucher or receipt given to the cardholder are not identical with the particulars on any other copy; or
 - unless approved by BNZ; another person has provided or is to provide the goods, services or cash the subject of the transaction, or you arranged for another person to process the transaction; or
- the goods, services or cash the transaction which you are supplying or arranging to be supplied were not actually supplied to a genuine customer, or an intention not to supply the goods, services or cash has been indicated. In either case regardless of whether or not you are responsible for supplying the goods, services or cash; or
 - the transaction did not relate to the actual sale of goods or services to a genuine customer; or
 - the goods, services or cash were supplied outside New Zealand without our consent; or
 - the transaction is offered, recorded or billed in a currency other than New Zealand dollars unless the transaction is offered, recorded or billed in an approved foreign currency that you are authorised to use; or
 - you have not complied with your obligations under this agreement in relation to a transaction; or
 - the details are keyed into equipment and you

- did not legibly record on a voucher or receipt the information required by this agreement; or
- (n) it is a point of sale transaction in which the nominated card was not presented or signed; or
 - (o) it is a remote transaction in which you did not record reasonable identification details for the cardholder and the expiry date for the nominated card and in the case of electronic commerce transactions the card security code (as relevant); or
 - (p) it is a debit card transaction in which you charge a cardholder a fee for the provision of cash; or
 - (q) it is a credit card transaction in which:
 - (i) you collected or refinanced an existing debt including, without limitation, the collection of a dishonoured cheque or payment for previous card charges; or
 - (ii) you provide a cardholder with cash (not including travellers cheques or a currency other than New Zealand dollars in which we have given prior written consent to you to process transactions); or
 - (r) it occurs during a period in which your rights under this agreement were suspended under **clause 19.3** or the date of the transaction was after the date this agreement was terminated; or
 - (s) you cannot give a receipt as required under this agreement.

- 9.2** At our election, a transaction for a sale, refund or provision of cash, is not acceptable if:
 - (a) the cardholder disputes liability for the transaction for any reason or makes a claim for set-off or a counterclaim; or
 - (b) we decide, at our discretion, is not acceptable.
- 9.3** We may:
 - (a) refuse to accept a transaction if it is not valid or not acceptable; and
 - (b) charge a transaction that is not valid or not acceptable back to you (including by directly refunding a transaction to a cardholder) if we have already processed the transaction, even if we have given you an authorisation (either electronically or by telephone); and
 - (c) charge a transaction back to you if that transaction is charged back to us by the relevant issuing bank, our payment processing agent or contractor or card scheme although we have already processed the transaction, even if we have given you an authorisation (either electronically or by telephone); and
 - (d) at any time at our absolute discretion by written notice require you to grant us security to cover your potential liability as assessed by us in relation to transactions that we may chargeback to you under **clause 9.3**.
- 9.4** You must without endangering yourself or your personnel seek to recover any nominated card used in a transaction that is invalid or unacceptable if required by us.

10. Settlement of Transactions and Nominated Account

- 10.1** Unless we agree otherwise, you must have at least one nominated account with us for recording transactions in New Zealand dollars.
- 10.2** If we agree that you may process transactions in an approved foreign currency then, unless we agree otherwise, you must, if we so require, also have an account with us for recording transactions in that foreign currency, which accounts can be used for the purposes referred to in **clauses 10.4** and **10.5**.
- 10.3** You agree that to the extent required by this **clause 10**, if your nominated account is with us then the terms of this **clause 10** vary and form part of the terms and conditions of your nominated account.
- 10.4** Subject to **clause 10.6**, we must pay to your nominated account the full amount of all valid and acceptable sales and cash transactions processed by you in the applicable currency, which shall be New Zealand dollars, unless we agree otherwise.
- 10.5** We will debit your nominated account with the full amount of all:
 - (a) valid and acceptable refund transactions processed by you, and
 - (b) chargebacks, in the applicable currency, which shall be New Zealand dollars unless we agree otherwise.
- 10.6** We reserve the right to:
 - (a) withhold payment to your nominated account; and
 - (b) withdraw, without notice, from any account you have with us or any associated account, any amount within our discretion for such period as we consider necessary, where we have reasonable grounds to suspect you have processed transactions otherwise than in accordance with this agreement.
- 10.7** Where we exercise our rights under **clause 10.6**, we will notify you in writing (including email) of any action taken by us under **clause 10.6** within two (2) banking days of such action being taken.
- 10.8** We must give you access to information each month showing the full amount of all transactions processed by us during the previous month. You may raise any issue that you have concerning an amount paid, or not paid to you, within three (3) months of the date of payment, or of the date the payment was due. We may charge you a fee for investigating any such issue.
- 10.9** If you intend to advertise and bill electronic commerce or MOTO transactions in a foreign currency, then, unless we agree otherwise, that foreign currency must be an approved foreign currency and you must obtain our prior written consent, which may be subject to conditions including, without limitation, a requirement to enter into a new letter of offer.
- 10.10** We will notify you from time to time which foreign currencies are approved foreign currencies for electronic commerce or MOTO transactions.
- 10.11** If an electronic commerce or MOTO transaction is recorded in an approved foreign currency, then, unless we agree otherwise, we will process in New Zealand dollars (using an exchange rate determined by us) any event relating to that transaction (such as paying for the original transaction, making a chargeback or a refund in respect of that transaction).

10.12 You acknowledge that for electronic commerce and MOTO transactions you will bear any additional costs, losses or benefits incurred as a result of movements in the exchange rate of an approved foreign currency between the time of the transaction and the time we convert the approved foreign currency to New Zealand dollars for posting to your account.

10.13 You acknowledge that for electronic commerce and MOTO transactions that are refunded or charged back, you will bear any additional costs, losses or benefits incurred as a result of movements in the exchange rate of an approved foreign currency between the time of the transaction and the time of the refund or chargeback.

11. Non-Standard Cards

11.1 To accept non-standard cards, you must contact and establish a separate agreement with the card issuer. We accept no responsibility for your acceptance of any non-standard cards, whether you do so with equipment supplied by us or otherwise.

12. Promotional Material and Advertising

12.1 We must supply you with promotional material for the nominated cards.

12.2 You consent to us advertising or publishing your acceptance of nominated cards to users or potential users of those cards.

12.3 You must:

- (a) display promotional material we supply you prominently at the point of sale at each of your business premises and on any website you maintain to indicate you accept nominated cards for transactions; and

- (b) use advertising and promotional material for the nominated cards or which show a card scheme logo or mark only with our consent and in the manner we approve.

13. Costs, Fees, Other Payments and GST

13.1 You must pay us the fees, charges and other payments referred to in **clause 13.2**.

13.2 You authorise us to withdraw, without notice, the following amounts from any account you have with us (including your nominated account):

- (a) all fees, charges and costs in connection with the merchant services and any use of equipment as set out in the letter of offer which you have agreed to pay or as notified by us from time to time; and
- (b) any outstanding amount arising from a refund transaction which we have paid to you, but which was not a valid or acceptable transaction; and
- (c) all over-credits paid by us on sales and cash transactions due to errors or omissions; and
- (d) all credits paid by us on sales and cash transactions which we have determined to chargeback under **clause 9.3**; and
- (e) all taxes, any stamp duties and other government charges levied on the services, equipment we supply, your accounts with us and this agreement; and
- (f) any amounts found to be due to us during an audit or check by us; and

- (g) all fees, charges and costs agreed to be paid to us for the processing of information in connection with a loyalty programme; and
- (h) all fines, fees or costs (however described) imposed on us (directly or indirectly, including through payments processing agents or contractors) by any card scheme or card scheme rules because of your conduct, including, without limitation:
 - (i) where your conduct results in transactions that are viewed by a card scheme as being illegal or brand damaging; or
 - (ii) where your conduct results in an unacceptable rate of chargebacks; or
 - (iii) because you failed to comply with the data security standards as required by this agreement.
- (i) An unacceptable rate of chargebacks includes one which is declared by any card scheme unacceptable under card scheme rules or relevant law; and
- (j) all fees, charges, costs (including legal costs on a solicitor and own client basis), and expenses of any description incurred by us, whether directly or

indirectly, for recovery of outstanding debts owed by you to us, for processing of chargebacks by us, or otherwise in connection with this agreement; and

- (k) all other amounts you owe us under this agreement.

13.3 You must pay on demand from us any balance that remains unpaid because there are not enough funds in your accounts to pay the amounts due under **clause 13.2**.

13.4 We may vary existing fees or introduce new fees relating to this agreement at any time either in writing or by

advertising in the national or local press.

13.5 You must provide us with an authority to direct debit any account with us or another institution with the amounts referred to in **clauses 13.2, 10.5, 10.6** and any other provision of this agreement.

GST

13.6 All fees, costs and charges payable pursuant to this agreement will be charged plus GST (if any).

14. Equipment Supplied

Equipment

14.1 You must have the equipment that we require from time to time. You may obtain equipment from us or from others provided the equipment is certified by us or the Switch Provider.

14.2 You may use equipment to accept nominated cards for:

- (a) transmitting transaction information to us and anyone else approved by us; and
- (b) crediting funds to your nominated account in payment of goods and services sold to cardholders and cash supplied to them by you; and
- (c) enabling a cardholder to debit their account; and
- (d) crediting funds to a cardholder's account and debiting your account if a cardholder returns merchandise which the cardholder paid for using a nominated card, and
- (e) any other purpose approved by us but not use the equipment for any other purpose.

14.3 Equipment we own and which we have sent to you always remains our property. If you neglect, misuse, lose or damage our equipment, we may charge you the full cost of any necessary repairs or replacements. We may choose whether equipment should be repaired or replaced. We may reasonably determine the replacement value at our sole discretion.

Software

14.4 You must comply with any additional terms and conditions we prescribe from time to time in relation to software which we supply, or arrange to supply, to you as part of the merchant services.

14.5 We will not be responsible in any way for anything which may arise from your use of, or inability to use, software which we supply, or arrange to supply, to you as part of the merchant services.

14.6 If you use software which we supply, or arrange to supply, to you as part of the merchant services, you must display (on the page of your website used by the cardholder to communicate payment details) in relation to the software such logos which we give you, in the size and location prescribed by us.

15. Intellectual Property

15.1 Subject to the remainder of this clause, you acknowledge that all intellectual property rights subsisting in the materials provided by us or developed by or for us, pursuant to, for the purpose of or in connection with this agreement, vests in us or our licensors and is our or our licensor's property, including, but not limited to:

- (a) any lists of cardholder data (whether personalised or not) and the promotional material we supply you; and
- (b) any trademark, business name, trading style or get up; and
- (c) any computer program; and
- (d) any report, file, script, inventory, database, record or information required to be created, maintained or provided by you pursuant to, for the purpose of or in connection with this agreement.

15.2 You undertake, at our reasonable request, to swear all oaths, make all declarations, execute all documents and do all other things necessary to vest in us or our assigns or successors any intellectual property rights in which we have right, title and interest.

15.3 Without limiting the generality of the remainder of this agreement, you must not without our consent:

- (a) use or alter our trademarks, business names, trading styles or get ups, whether as part of your

corporate or business name or on or in relation to any goods or services; or

- (b) reproduce or modify any of our computer programs; or
- (c) merge or use any report, file, script, inventory, database, record or information referred to in **clause 15.1 (d)** in or with any other information which is held by you and which is not obtained or generated by you in connection with or in relation to the performance of this agreement.

15.4 If we allow you to use one of our trademarks, business names, trading styles or get up, we grant to you a royalty-free, non-exclusive licence during the term of this agreement or any shorter period we specify, to use that trademark, business name, trading style or get up solely for the purposes of this agreement and in the manner and form we notify you from time to time.

15.5 On termination of this agreement and at our request, you shall assign to us all the intellectual property rights in and to all software designed specifically for the merchant services the subject of this agreement and all modifications and enhancements and application development undertaken by you to software specifically for the purposes of the merchant services the subject of this agreement.

- 15.6** You acknowledge and agree that:
- (a) the card scheme logos, names and holograms (the '**Marks**') and all intellectual property rights subsisting in those logos, names and holograms belongs to, and is or will be, vested in the card schemes; and
 - (b) you will not contest the ownership of the Marks for any reason; and
 - (c) all rights, titles and interests in our trademarks and any intellectual property subsisting in them belongs to and is or will be vested in us, or our nominees and our related companies; and
 - (d) all goodwill arising from the use of our trademarks, business names, trading styles or get ups pursuant to this agreement is for the benefit of us and is and will remain vested in us and our related companies; and
 - (e) the card schemes may at any time, immediately and without notice, prohibit you and/or us from using any of the Marks; and
 - (f) you may only use advertising and promotional material for the cards or which show a card scheme Mark in the manner we approve.

16. Indemnity and Set-Off

- 16.1** You must indemnify us for all losses and liabilities we incur because:
- (a) you did not observe any of your obligations under this agreement; or
 - (b) we could not exercise all or any part of our rights under this agreement, including, without limitation, those described in **clause 13**; or
 - (c) of any dispute between you and a customer over a transaction; or
 - (d) of any wilful default, negligence, fraud, act or omission by you or any of your agents or representatives relating to this agreement; or
 - (e) of any infringement by you or your agents or representatives of another person's intellectual property rights; or
 - (f) any warranty that you made under this agreement is untrue; or
 - (g) of any use of equipment owned by us or others, by you, your employees, contractors, agents or invitees, including, without limitation, in relation to transactions involving nominated cards and those involving non-standard cards or loyalty programmes; or
 - (h) of any event relating to a transaction in a foreign currency; or
 - (i) we exercised any of our rights under this agreement; or
 - (j) you have taken legal action against us resulting in a costs order in our favour or we have incurred legal costs against you in enforcing our rights under this agreement on a solicitor and own client basis or recovering any amounts you owe us.
- 16.2** Subject to the other provisions of this agreement, we agree to indemnify you for any amounts processed in accordance with this agreement, keyed in properly at equipment and accepted as valid by our electronic banking system, but not paid into your nominated account.
- 16.3** It is not necessary for us to incur expense or make payment before enforcing a right of indemnity conferred by this agreement.
- 16.4** You must indemnify us, our payment processing agents or contractors and the Switch Provider for all losses and liabilities we, those agents or contractors or the Switch Provider incur as a result of misuse of the equipment in giving refunds or manually keying in transaction details.
- 16.5** These indemnities survive termination of this agreement.
- 16.6** If you have any liability to us under this clause or any other part of this agreement, we may set-off that liability against any liability we have to you.
- 16.7** If any losses or liabilities incurred by us under this clause or any other part of this agreement are in a foreign currency amount, then we may convert that amount into New Zealand dollars at our then prevailing spot rate of exchange.

17. Disclaimer

- 17.1** If our liability to you for the breach of any term, condition or warranty implied by law is capable of exclusion, it is excluded.
- 17.2** If we have breached any condition of the merchant services or warranty implied by law, then our liability is limited to the re-supply of the services or the payment of the cost of having the merchant services supplied again, at our discretion.
- 17.3** We make no warranties or representations in relation to the merchant services, including warranties as to description, merchantability, fitness for purpose or that the merchant services will be available at all times and/or free of interruptions.
- 17.4** We are not liable for any losses or inconvenience you suffer because any part of the merchant services or any equipment we or others supply is not capable of normal operation, fails to process information or inaccurately or slowly processes information, including, without limitation, in connection with a nominated card, a non-standard card or a loyalty programme.
- 17.5** To the maximum extent permitted by law, we, our officers, agents, contractors and subcontractors shall not be liable for any direct or indirect loss or any economic loss (including loss of profits, revenues, savings or goodwill), damage or injury arising from the supply or use of the merchant services or any equipment we or others supply, or from any act or omission (including negligence) of ours.
- 17.6** This clause does not exclude or limit any liability which, by law, is not capable of exclusion or limitation.
- 17.7** BNZ undertakes as follows:
- (a) to ensure it acts with reasonable care and skill in its dealings with you and in accordance with good industry practice; and
 - (b) to comply with all applicable laws.

18. Variation and Waiver

- 18.1** Except where expressly provided otherwise in this agreement, we may vary a condition of this agreement or any merchant service guide or manual provided by us to you for the purposes of this agreement or any schedule or annexure to this agreement at any time by giving you notice in writing. The variation begins on the date of the notice or a later date specified on it.
- 18.2** Unless otherwise specified in this agreement or separately agreed between you and us, we will give you notice of changes to fees, charges, or any other changes to this agreement in writing at least 30 days before the change takes effect.
- 18.3** For the purposes of us providing you with notice of changes to the terms of this agreement in writing under **clause 18.2** and unless separately agreed between you and us, we will tell you about changes to the terms of this agreement in one or more of the following ways:
- (a) writing to you at the last address you have provided us;
 - (b) display in our stores and partners centres;
 - (c) notice in the media (including public notices); or
 - (d) display on our website.

19. Term, Termination and Suspension

- 19.1** Unless terminated, or otherwise stated in the letter of offer, this agreement is for a term of three (3) years from the date when you first process a card transaction with us and regardless of whether your rights under this agreement are suspended under **clause 19.3**. This agreement shall continue to apply for further periods of three (3) years, unless you give us at least sixty (60) days written notice of your intention to terminate this agreement before the end of the then current three-year period. We are not obliged to renew, and will notify you if this agreement is not automatically renewed.
- 19.2** **You must stop accepting a nominated card immediately if:**
- (a) we give you notice to do so; or
 - (b) this agreement is terminated.
- 19.3** We may terminate this agreement or suspend your rights under this agreement, or any part of it, at any time by giving you notice in writing (including email). The notice does not have to state a reason.
- 19.4** The ending (including by termination of the agreement by you or us) or suspension of the agreement or any part of it does not affect any of your or our rights and obligations which arose before it ended or was suspended, including, without limitation, in relation to our right to chargeback transactions and our right to recover accrued fees, charges, fines and costs.
- 19.5** When any part of the agreement ends, or otherwise at our request, you must return to us all stationery, equipment, guides and other material we supplied in connection with a merchant service covered by that part including, without limitation:
- (a) any promotional material we have supplied you with; and
 - (b) any material containing a card scheme logo or mark; and
 - (c) any materials provided by us, and you must remove any card scheme logo or any materials we have provided you with from any of your business premises or websites, and if any materials are held electronically by you, your personnel or on your behalf, you all must cease to use that material immediately and, if we request, delete that material as soon as reasonably practicable.
- 19.6** When any part of this agreement ends, you must immediately pay us any outstanding fees, charges and costs due under this agreement.
- 19.7** Until you have certified in writing to us that materials referred to in **clause 19.5** have been returned to us as required by **clause 19.5**, you must continue to pay any fees, charges and costs due to us in relation to that material as if the agreement had not terminated.
- 19.8** If you terminate this agreement during its initial term, we may at our discretion charge you a fee representing our reasonable pre-estimate of costs arising from the early termination. For the purposes of this clause, you will be taken to have terminated this agreement:
- (a) when you give us a notice to that effect; or
 - (b) if we determine at our discretion that the volume of transactions under this agreement indicates your intention to terminate this agreement.
- 19.9** This **clause 19** survives termination of this agreement.

20. Our Consent

- 20.1** We may give our consent for the purposes of this agreement conditionally or unconditionally or withhold it at our absolute discretion, unless this agreement expressly indicates differently.

21. Cardholder's Creditworthiness

- 21.1** You cannot infer from the fact that a cardholder has been issued with a nominated card, or that a transaction has been processed or an authorisation has been given, that we have guaranteed, endorsed or made representations about:
- (a) the cardholder's creditworthiness; or
 - (b) the correct identity of the cardholder; or
 - (c) that the transaction is valid and acceptable; or
 - (d) that you have complied with your obligations under this agreement; or
 - (e) the transaction will not be charged back or reversed,
- and you waive any right to claim that we do.

22. Your and Our Rights

- 22.1** You must not assign, charge or grant a security interest over your rights under this agreement.
- 22.2** We may enter this agreement as principal or agent.
- 22.3** Subject to our obligations under the Code of Banking Practice, we may, without your consent:
- (a) transfer our interest in this agreement or equipment we own, or give another person an interest in or form of security over either of them; or
 - (b) subcontract any of our obligations under this agreement.
- 22.4** The rights, powers and remedies which you and we have under this agreement are in addition to the ones provided independently by law. You and we may exercise the rights, powers and remedies under the law as well as any of those provided by this agreement.
- 22.5** If you or we do not insist upon or enforce a right arising from a breach of this agreement, that does not mean that you or we have given up or waived that right or any other right arising from that breach or any later breach.
- 22.6** Nothing contained or implied in this agreement constitutes you the partner, agent, or legal representative of us for any purpose or creates any partnership, agency or trust, and you have no authority to bind us in any way.

23. Notice

- 23.1** A notice must be in writing; and
- (a) given personally to the addressee (which, in our case, includes one of our officers at the address last advised); or
 - (b) sent by prepaid post to the address last advised; or
 - (c) sent by facsimile to the facsimile number last advised; or
 - (d) sent by email to the email address last advised.
- 23.2** Until further notice is given, the address last advised shall be the address for you and us shown in the letter of offer.
- 23.3** You must immediately advise us of any change in your address or contact details.
- 23.4** If a notice is sent by post, it is taken to be received on the third banking day after posting.
- 23.5** If a notice is sent by facsimile, it is taken to be received on production of a transmission report by the transmitting machine which indicates that the whole facsimile was sent.
- 23.6** If a notice is sent by email, it is taken to be received within 12 hours of sending the email, provided that the sender:
- (a) has keyed in the correct email address (as advised by the recipient to the sender under **clause 23.1(d)**); and
 - (b) has not been informed, by way of an email alert that the message has failed to reach its intended destination or recipient.
- 23.7** A notice takes effect from the time it is delivered, unless a later time is specified in it.
- 23.8** Any legal process or notice of legal process (for example, a summons) may be served on you or us by delivering or leaving it at your or our last advised physical address or by any other method or service permitted by law.

24. Further Assurances

- 24.1** You agree, at your own expense, to:
- (a) execute and do everything else necessary or appropriate to bind you under this agreement; and
 - (b) use your best endeavours to cause relevant third parties to do likewise.
- 24.2** You agree that all information provided to us in connection with this agreement is materially true, accurate and complete. You will promptly inform BNZ of any action or event that has the effect of making such information materially inaccurate.

25. General Information

25.1 We will provide you, upon request, with general information dealing with our procedures for handling disputes, the time within which disputes will normally be dealt with and indicating that disputes will be dealt with by staff with appropriate powers to resolve disputes. For general information, please contact us on freephone 0800 737 774.

26. Publicity

26.1 You agree not to make any press or other announcements or releases relating to this agreement and the transactions the subject of this agreement without our prior approval.

26.2 The approval required under **clause 26.1** may include the manner in which the announcement or release is to be made and its form and its content.

26.3 Notwithstanding the above clauses, you may make an announcement or release only to the extent that such is required by law, in which case your obligations in **clause 28.8** will apply to the announcement or release as if it was confidential information.

27. Severability

27.1 If any provision of this agreement is held to be unenforceable or invalid for any reason, then:

- (a) that provision is deemed to be modified to the extent required to remedy the unenforceability or invalidity; or
- (b) if it is not possible to remedy the unenforceability or invalidity, that provision is to be severed from this agreement,

and this agreement will otherwise remain in full force.

28. Confidential Information and Privacy

28.1 You authorise us to collect from, and disclose to, any person any information in connection with this agreement or in relation to us providing the merchant services to you, even where such information is subsequently shown to be inaccurate. You authorise any person to provide any information about you to us which we may require in connection with this agreement. These authorisations survive the termination of this agreement.

28.2 If you are an individual, under the Privacy Act 1993 you have a right of access to, and correction of, personal information held by us about you.

28.3 You authorise us to disclose to any card scheme advice of termination of this agreement and merchant services and the reasons (if any) for the termination. You acknowledge that the information concerning termination of this agreement and merchant services then becomes available to any member of the card schemes. This information, available to any member of the card schemes, may be used in assessing subsequent applications for merchant facilities.

28.4 You agree that we may disclose to any person the fact that all or part of this agreement or the merchant services has been terminated or suspended. You authorise us to disclose information concerning termination to any credit provider for the purpose of notifying that credit provider of that termination and the reason for it occurring. Termination and subsequent listing of the termination may affect your ability to obtain merchant facilities with another acquirer.

28.5 **You must:**

- (a) keep any confidential information confidential; and
- (b) may use the confidential information, but only in relation to this agreement; and
- (c) may disclose the confidential information to enable you to perform your obligations under this agreement, but only to your permitted personnel to the extent that they have a need to know; and
- (d) must not copy the confidential information or any part of it other than as strictly necessary for the purposes of this agreement and must mark if required by us any such copy 'Confidential - BNZ'; and

- (e) must implement security practices to prevent any unauthorised copying, use, disclosure (whether that disclosure is oral, in writing or in any other form), access and damage or destruction; and
- (f) must immediately notify us if you suspect or become aware of any unauthorised copying, use, disclosure, access, damage or destruction in any form and to any extent; and
- (g) must comply with any of our reasonable directions in relation to the confidential information.

28.6 On termination of this agreement, or earlier on reasonable request by us, you must promptly return to us or (if we request) destroy or delete any or all copies of confidential information. In any event, your any right to use, copy and disclose that confidential information ceases on such termination or, if earlier, delivery of our request.

28.7 Your obligations under this clause continue indefinitely in relation to confidential information, even if that confidential information is returned to us, destroyed or deleted, or this agreement is terminated.

28.8 This clause does not apply to the extent that you are obliged by law to disclose the confidential information. If you are so obliged to disclose any confidential information, you must:

- (a) notify us and provide details of the proposed disclosure; and
- (b) give us a reasonable opportunity to take any steps we consider necessary to protect the confidentiality of that information; and
- (c) at our reasonable cost, provide any assistance reasonably required by us to protect the confidentiality of that information; and
- (d) notify the third person that the information is our confidential information.

28.9 You acknowledge and agree (and give us authorisation) that:

- (a) we may obtain from our payment processing agents or contractors, or any card scheme, information about your merchant history or personal information about you, a related body corporate, your officers, employees or agents for any purpose relating to the operation of those card schemes. This could include, for example, information relating to previous services that are substantially similar to the merchant services or any part of them; and
- (b) we can use information about your merchant history and personal information about you, a related body corporate, your officers, employees or agents, including information collected from third parties to assess and process your merchant application and use that in relation to the ongoing provision, suspension or termination of the merchant services, or our other rights and obligations under this agreement; and
- (c) we can disclose information about your merchant history and relevant personal information in the following circumstances:
 - (i) to our payment processing agents, or contractors, or any card scheme information about you for any purpose related to the operation of those schemes, card fraud detection agencies (including information about termination or suspension of merchant services and reason(s) for termination or suspension of merchant services); and
 - (ii) where the law requires or permits us to do so; and
- (d) we are bound by card scheme rules and obligations to our payment processing agents and contractors; and
- (e) all correspondence and discussions between card schemes and us are private and confidential as between us and the card schemes and you are not entitled to participate in or otherwise request a copy of such correspondence.

29. Consumer Guarantees Act

29.1 You acknowledge and agree that you are using the merchant services for business purposes and accordingly the Consumer Guarantees Act 1993 will not apply.

30. Governing Law

30.1 This agreement is governed by the law of New Zealand. You and we submit to the non-exclusive jurisdiction of the courts of New Zealand and courts of appeal from them.