



Schedule 3 – Acquiring Services Terms and Conditions

1. THE SERVICES

- 1.1. DNAP enters into the Agreement for itself and, in respect of the Acquiring Services provided by the Relevant Acquirers, as an agent and on behalf of the Relevant Acquirers. Each Relevant Acquirer (and not DNAP) shall accordingly be liable to the Merchant in connection with the provision of the applicable Acquiring Services by such Relevant Acquirer.
- 1.2. Without prejudice to clause 1.1 or any other provision of the Agreement, DNAP shall:
 - 1.2.1. collect and process Transactions from the Merchant;
 - 1.2.2. submit Transactions to the Acquirer on the Merchant's behalf;
 - 1.2.3. be responsible for effecting Remittances in accordance with the terms of the Agreement (and for the avoidance of doubt no Settlement shall be payable to the Merchant by the Relevant Acquirer);
 - 1.2.4. be responsible for effecting Remittances in accordance with the terms of the Agreement (and for the avoidance of doubt no Settlement shall be payable to the Merchant by any Relevant Acquirer, unless otherwise notified by DNAP); and
 - 1.2.5. be the Merchant's primary contact point for any queries which the Merchant may have in relation to the Acquiring Services and the Agreement, including first-line support in respect of:
 - 1.2.5.1. any general queries relating to Transactions, Settlement or Remittances;
 - 1.2.5.2. any technical support which the Merchant may require in connection with the Acquiring Services; and
 - 1.2.5.3. any queries or technical support which the Merchant may require in connection with the Payment Methods.
- 1.3. For the avoidance of doubt but without prejudice to any other provisions of the Conditions, the Acquiring Services shall only relate to (and Merchant shall only process or accept) such Transactions (and only in the Permitted Countries and in the Currency), at such Outlets and using such Payment Methods and Payment System which (in each case) are expressly authorised by the applicable Acquirer from time to time.
- 1.4. DNAP shall give at least 30 days' written notice of any withdrawn or discontinued:
 - 1.4.1. Card or Payment Method;
 - 1.4.2. support in respect of any Card or Payment Method;
 - 1.4.3. Currency; and/or
 - 1.4.4. Permitted Country,

except where such notice is not reasonably possible given the cause for the relevant decision (in which case lesser notice or no prior notice may be given). DNAP shall use reasonable endeavours to offer the Merchant an alternative for any discontinued Payment Method.

2. GENERAL TRANSACTION OBLIGATIONS

- 2.1. The Merchant agrees to honour each valid and current Payment Method for Customers by accepting the same as a means of payment in the Currency at all of the Outlets and by making available and supplying to Customers the full range of the goods and/or services offered by the Merchant to its customers generally.
- 2.2. The Merchant must inform all of its customers in a clear and unequivocal manner which types of Cards and other Payment Methods are accepted and which are not. This information must be prominently displayed, together with the Payment Scheme Marks, at each Retail Outlet (at the entrance and at the till where Transactions are conducted) and on each Online Outlet.
- 2.3. The Merchant shall:
 - 2.3.1. display DNAP's logo, decal or other promotional or advertising materials at a prominent place in or outside each Retail Outlet and in such manner as DNAP may from time to time require;
 - 2.3.2. display DNAP's logo or other promotional or advertising materials at a prominent place on each Online Outlet and in such manner as DNAP may from time to time require;
 - 2.3.3. only accept payments and/or process Refunds from Customers in connection with goods and/or services which the Merchant has supplied to the relevant Customer;
 - 2.3.4. only accept payments and/or process Refunds in respect of goods and services which commonly fall within the Merchant's business (as identified in the Merchant Application Form for the Services or as approved by DNAP from time to time);
 - 2.3.5. only accept payments in respect of Sale Items that the Customer would reasonably expect to receive;
 - 2.3.6. ensure that all Transactions specify the exact amount of the Transaction to the Customer at the point of sale at which



- authorisation of the Transaction is made by the Customer;
- 2.3.7. supply all Sale Items in accordance with all Applicable Laws; and
- 2.3.8. notify DNAP immediately in writing on becoming aware of any unauthorised or incorrectly executed Transaction.
- 2.4. The Merchant shall ensure that all applicable Online Outlets clearly and prominently display all information required pursuant to the Payment Scheme Rules, including:
- 2.4.1. all applicable details relating to the Merchant and the Online Outlet;
- 2.4.2. the address for Cardholder correspondence;
- 2.4.3. the address from which ECommerce Transactions are carried out;
- 2.4.4. a Customer privacy policy meeting the requirements of the Data Protection Legislation;
- 2.4.5. a description of the Merchant's security capabilities (including procedures and processes for keeping the Payment System and associated Transactions safe and secure);
- 2.4.6. a description of how the Merchant transmits Card details;
- 2.4.7. the Payment Scheme Marks;
- 2.4.8. a complete description of the applicable goods or services;
- 2.4.9. a return and refund policy;
- 2.4.10. customer service contact details, including an email address and telephone number;
- 2.4.11. the currency in which Transactions will be made;
- 2.4.12. any export restrictions that will apply to the goods or services; and
- 2.4.13. policies on delivery of goods (including by way of split shipments, where applicable).
- 2.5. The Merchant shall not (and shall not otherwise seek or purport to be entitled to):
- 2.5.1. impose on any Customer any surcharge, or other extra fee or charge of any nature, for using a Card or for using any particular type of Card or Payment Method (which, for the avoidance of doubt, shall not preclude the Merchant from applying any booking or handling fee which does not differentiate between Customers based on their choice of means of payment);
- 2.5.2. remove, lessen or otherwise adversely alter any discount or benefit which would otherwise be available to a Customer but for their use of a Card or any particular type of Card or Payment Method, or extract any special agreement or condition or security from a Customer in connection with the use of the Card or Payment Method;
- 2.5.3. disburse funds in the form of travellers cheques, if the sole purpose is to allow a Customer to make a cash purchase of goods and services from the Merchant;
- 2.5.4. accept a Transaction that does not result from an act between the Customer and the Merchant;
- 2.5.5. accept Customer payments for collecting or refinancing existing debt (including a dishonoured cheque);
- 2.5.6. request or use its account number for any other purpose other than as payment for its goods or services;
- 2.5.7. add any tax to Transactions, unless as required pursuant to any Applicable Laws;
- 2.5.8. split a single Transaction into two or more separate Transactions, or collect any tax amount due on a Transaction other than as part of such Transaction;
- 2.5.9. except to the extent otherwise expressly permitted or required pursuant to clause 3 in respect of Card-Not-Present Transactions, request a Customer to provide Card or account details in writing (including email) or write down Customer's Card or account details; or
- 2.5.10. accept or attempt a Card Transaction where the Card presented to the Merchant has expired, appears to have been altered, defaced or reprinted in any way, does not have the signature of the Cardholder thereon or which is listed in a Stop List.
- 2.6. Without prejudice to clauses 2.5.1 and 2.5.2, the Merchant shall inform the Customer of any charge made or reduction offered by the Merchant for using a Card or Payment Method, or the basis for calculating any such charge or reduction, prior to processing any Transaction.
- 2.7. The Merchant shall comply with the point of sale procedures specified in the Conditions, any Procedure Guide and all other instructions from DNAP or a Relevant Acquirer in respect of all Transactions or the use of Payment Methods.
- 2.8. The Merchant shall not store, at any time:
- 2.8.1. any Card verification value (including any PIN number or verification value) contained in the magnetic stripe, chip or other



electronic component of such Card or printed on the Card in or next to the signature panel;

- 2.8.2. the full contents of any track from the magnetic stripe of a Card (on a Card, in a chip or other electronic component, or elsewhere); or
 - 2.8.3. any other Data which an Acquirer or a Payment Scheme mandates from time to time must not be stored.
- 2.9. If the Merchant processes a Transaction electronically (other than in the case of a Card-Not-Present Transaction), the Merchant shall:
- 2.9.1. ensure that the total amount of the Transaction and any further information which DNAP may from time to time reasonably require must be captured on the Terminal Receipt;
 - 2.9.2. ensure that (except for Contactless Transactions), it only undertakes Card Transactions using an IC Card and a PIN and that the Cardholder enters the correct PIN (unless the Payment Method or Payment Scheme does not permit use of an IC Card and a PIN, in which case the Merchant shall undertake the Card Transaction using the magnetic stripe of a Card and shall ensure that the Cardholder signs the Terminal Receipt and that the signature of the Cardholder on the Terminal Receipt substantially resembles that appearing on the Cardholder's Card); and
 - 2.9.3. provide the Customer with one copy of the Terminal Receipt (after the valid conclusion of the Transaction).
- 2.10. Without prejudice to the generality of clause 15.1.4 of Schedule 2, if the Merchant accepts any Contactless Transaction which exceeds the Contactless Transaction Limit, the Merchant shall be liable for and shall indemnify the Indemnified Parties and hold them harmless from and against any and all Losses arising directly or indirectly from or in connection with such Contactless Transaction.
- 2.11. The Merchant shall permit a Customer to withdraw his/her consent to a Transaction at any time prior to execution of the Transaction. Where a Customer so withdraws their consent, the Merchant shall ensure that the Transaction is not executed.
- 2.12. The Merchant agree that it is its sole responsibility to prove to DNAP's satisfaction (or that of the relevant Card Issuer, Payment Scheme or Acquirer) that the debit of a Customer's account was authorised by such Customer.

Mail Order and Telephone Order (MO/TO) Transactions.

- 2.13. The Merchant shall not accept MO/TO Transactions without DNAP's prior written consent to do so. For the avoidance of doubt, consent will be deemed to have been given by DNAP where the Merchant has included Merchant's anticipated MO/TO Transactions within the Merchant Application Form and that Merchant Application Form has been accepted by DNAP.
- 2.14. If DNAP provides the consent set out in clause 2.13 for each MO/TO Transaction, the Merchant must retain in an accessible place and produce on demand documentary proof of dispatch of goods or supply of services rendered, for not less than two (2) years from the Transaction date.
- 2.15. If the Merchant does accept MO/TO Transactions without the consent set out in clause 2.13 then without prejudice to DNAP's other rights and remedies under the Agreement or Applicable Laws, the Merchant may have to pay a surcharge on each such MO/TO Transaction;
- 2.16. MO/TO and Internet Transactions must not be presented until the relevant goods ordered by the Cardholder have been dispatched or arrangements made for services to be provided. Notwithstanding the foregoing:
- 2.16.1. Visa MO/TO Transactions for goods may be presented before the dispatch of the goods or performance of the services, provided that within seven (7) days of presentment a written acknowledgement quoting the dispatch date is sent by the Merchant to the Cardholder, such dispatch date not to be later than twenty-eight (28) days from the date of receipt of the order,
 - 2.16.2. MasterCard® Card MO/TO Transactions, must not be presented until after the goods are dispatched or the services are performed unless, at the time of the Transaction, the Cardholder agrees to a properly disclosed delayed delivery of the goods or services.

Recurring Sales Transactions.

- 2.17. The Merchant shall not accept Recurring Sales Transactions without DNAP's prior written consent to do so. For the avoidance of doubt, consent will be deemed to have been given by DNAP where the Merchant have confirmed that the Merchant accept Recurring Sales Transactions within the Merchant Application Form and that Merchant Application Form has been accepted by DNAP. If DNAP provides such written consent the Merchant must:
- 2.17.1. obtain a Recurring Sales Transaction Authority from the Cardholder;
 - 2.17.2. obtain Authorisation at the first debit;
 - 2.17.3. notify the Cardholder:
 - 2.17.3.1. that their Recurring Sales Transaction Authority is subject to cancellation by the Cardholder at any time; and
 - 2.17.3.2. of any change to the Sales Transaction details set out in the Recurring Sales Transaction Authority at least fourteen (14) days prior to the subsequent debit;
 - 2.17.4. not complete any Recurring Sales Transaction after receiving:
 - 2.17.4.1. a cancellation notice from the Cardholder;



- 2.17.4.2. a notice from DNAP that authority to accept Recurring Sales Transactions has been revoked; or
- 2.17.4.3. a response that the Card is not to be honoured;
- 2.17.5. retain the Recurring Sales Transaction Authority for a period of 24 (twenty-four) months after the final payment that is made pursuant to it, and produce the Recurring Sales Transaction Authority to DNAP on demand;
- 2.17.6. comply with any applicable Payment Scheme Rules requiring registration of Recurring Sales Transactions or other applicable Transaction security requirements; and
- 2.17.7. acknowledge and accept that a Cardholder has the right to revoke a Recurring Sales Transaction at any time up to the end of the Business Day preceding the day agreed for debiting funds.

Future Delivery.

- 2.18. The Merchant shall not present any Sale Transactions to DNAP (whether by electronic means or otherwise) that relate to the sale of goods and/or services for future delivery unless the Merchant has obtained the prior written consent of DNAP to do so. If DNAP provides such written consent, the Merchant must maintain sufficient working capital to provide for the delivery of goods and/or services at the agreed future date; such working capital shall be independent of any credit or proceeds resulting from future delivery Sale Transactions.

3. CARD-NOT-PRESENT TRANSACTIONS

- 3.1. The Merchant may accept Card-Not-Present Transactions only where this has been confirmed by DNAP in writing (and only using such Payment System as has been approved by DNAP for such purposes).
- 3.2. Prior to completion of each Card-Not-Present Transaction, the following information shall be obtained from the Cardholder:
 - 3.2.1. the Card Number;
 - 3.2.2. the expiry date of the Card;
 - 3.2.3. the Cardholder's name and initials, as they appear on the Card;
 - 3.2.4. the Cardholder's address to which the Card is registered, as provided by the Cardholder;
 - 3.2.5. if applicable, the address to which the relevant Sale Goods are to be dispatched; and
 - 3.2.6. such additional information as may be notified to the Merchant by DNAP from time to time.
- 3.3. In respect of each Card-Not-Present Transaction, the Merchant shall:
 - 3.3.1. clearly designate on the Terminal Receipt the fact that it was a Card-Not-Present Transaction;
 - 3.3.2. dispatch by secure means all Sale Goods (save that the Merchant may permit a Cardholder to collect the Sale Goods, subject to the Merchant being satisfied (acting reasonably) of the identity of the person collecting the goods as the Cardholder);
 - 3.3.3. not permit Sale Goods to be collected from the Merchant by the Cardholder or any other Person on their behalf (in such circumstances, the Merchant must cancel the Card-Not-Present Transaction and carry out a new Transaction in the presence of the Cardholder).

4. FLOOR LIMITS

- 4.1. DNAP may from time to time notify the Merchant of a monetary limit:
 - 4.1.1. on the aggregate value of one or more Transactions in respect of any specified period (**Trading Limit**); and/or
 - 4.1.2. in respect of a single Card Transaction or series of connected Card Transactions (including Contactless Transactions) up to which the Merchant may complete sales without obtaining Authorisation (**Floor Limit**).
- 4.2. Unless otherwise notified by DNAP, the monetary value of the Floor Limit shall be deemed to be zero.
- 4.3. Any notification by DNAP pursuant to clause 4.1 shall have immediate effect and shall continue to apply save if and to the extent that DNAP otherwise notifies the Merchant in writing.
- 4.4. The Merchant shall not:
 - 4.4.1. exceed the Trading Limit without DNAP's prior written approval (to be given at DNAP's discretion); or
 - 4.4.2. complete a Card Transaction or series of connected Card Transactions in excess of the Floor Limit without Authorisation.

5. AUTHORISATION

- 5.1. The Merchant must seek Authorisation for each payment to be made by Card, in accordance with the applicable Payment Scheme Rules. Without prejudice to the generality of the foregoing, in respect of all Card Transactions, the Merchant shall:
 - 5.1.1. seek Authorisation through the Acquirer (at the point of the Transaction and prior to concluding such Transaction) for:



- 5.1.1.1. all face-to-face Transactions (other than valid contactless transactions) where the value is above the Floor Limit; and
 - 5.1.1.2. all Card-Not-Present Transactions;
 - 5.1.2. cancel any requested Authorisation if the Merchant or the Cardholder decides not to proceed with the Transaction;
 - 5.1.3. not conclude any such Transaction or complete the Card payment where Authorisation is not obtained (or where the requested Authorisation is cancelled);
 - 5.1.4. not seek more than one Authorisation for a single Transaction (including where the original Authorisation request is refused); and
 - 5.1.5. not seek Authorisation just to validate or register a Card.
- 5.2. The Merchant acknowledges and agrees that:
- 5.2.1. if it wishes to just validate or register a Card, it shall follow the applicable procedure set out in the relevant Procedure Guide;
 - 5.2.2. Authorisation is not a guarantee that the Card Transaction has been successful or that payment will be received in respect of such Card Transaction; and
 - 5.2.3. Authorisation does not prevent the Card Issuer, Payment Scheme, Acquirer or DNAP from applying or recovering a Chargeback, Fine or other amounts in relation to the relevant Transaction.
- 6. REFUNDS**
- 6.1. If the Merchant agrees to, or an Acquirer instructs the Merchant at any time to, make a Refund or Credit (or similar) in respect of any Transaction, the Merchant shall not make a cash refund or payment to the Customer but shall either:
- 6.1.1. within three (3) Business Days after the Refund has been agreed by the Merchant or has been instructed by such Acquirer: complete a Credit Voucher, provide one copy of the completed Credit Voucher to the Customer and post (or hand deliver) the Credit Voucher to DNAP; or
 - 6.1.2. if DNAP has agreed, at the relevant time, to the presentation of information by the Merchant electronically, submit such information in respect of such Refund as DNAP may from time to time reasonably require, in such form and manner and within such a timeframe as has been specified at the relevant time by DNAP.
- 7. CHARGEBACKS AND FINES**
- 7.1. A Relevant Acquirer, Card Issuers, Payment Schemes may refuse to Settle a Card Transaction or require repayment from the Merchant in respect of a Card Transaction previously Authorised or Settled, notwithstanding that Authorisation may have been obtained from the Card Issuer.
- 7.2. A Chargeback represents an immediate liability from the Merchant to the applicable Acquirer and, where the full amount of any Chargeback and/or Chargeback Costs is not debited by DNAP from the Merchant's Merchant Bank Account or deducted when effecting Remittance, DNAP shall be entitled to demand payment from the Merchant and/or otherwise recover from the Merchant by any means (including by way of use of the Collateral or by way of set-off pursuant to clause 10 of Schedule 2) the full amount of such Chargeback and Chargeback Costs (or the balance thereof, as the case may be).
- 7.3. The Merchant acknowledges and agrees that:
- 7.3.1. under the Payment Scheme Rules and pursuant to the Conditions, the Merchant may be required to reimburse the applicable Acquirer for Chargebacks and Chargeback Costs (or DNAP may be entitled to withhold Settlement of Card Transactions or require payment from the Merchant), including:
 - 7.3.1.1. where the Merchant has accepted payment in respect of the relevant Card Transaction (and even if the Merchant is under no legal liability for the supply or performance of the applicable Sale Items); and
 - 7.3.1.2. in the circumstances referred to in clause 7.7; and
 - 7.3.2. as Chargebacks may arise a considerable period after the date of the relevant Card Transaction, DNAP shall remain entitled to recover Chargebacks and Chargeback Costs from the Merchant notwithstanding any termination of the Agreement for any reason, in respect of all Chargebacks and Chargeback Costs which occur in relation to Card Transactions effected pursuant to the Agreement.
- 7.4. All Chargebacks and Chargeback Costs shall correspond to the whole or part of the Settlement value of the original Transaction or, at DNAP's option, to an amount converted to the Settlement currency from the currency of the applied Chargeback at the rate of exchange applied by DNAP for Settlement purposes on the day the Chargeback is processed.
- 7.5. The Merchant acknowledges and agrees that:
- 7.5.1. Fines shall represent an immediate liability from the Merchant to DNAP; and
 - 7.5.2. without prejudice to its other rights, DNAP shall be entitled, at any time, to recover Fines from the Merchant in the same way as Chargebacks pursuant to this clause 7.



- 7.6. DNAP shall not be obliged to investigate the validity of any Chargeback, Chargeback Costs or Fines and the decision of an Acquirer, Card Issuer or Payment Scheme in respect of any Chargeback, Chargeback Costs and/or Fines shall be final and binding on the Merchant.
- 7.7. DNAP shall not be obliged to effect Settlement or otherwise make payment to the Merchant in respect of any Transaction (and, where relevant Settlement or other payment has already been made, shall be entitled to demand payment from the Merchant and/or otherwise recover from the Merchant by any means, including by way of use of the Collateral or by way of set-off pursuant to clause 10 of Schedule 2, all applicable amounts relating to any Transaction) if:
- 7.7.1. such Transaction was processed or attempted to be processed in breach of any of the Conditions, any Procedure Guide or any applicable instructions issued by DNAP or a Relevant Acquirer;
 - 7.7.2. any Sales Draft, Credit Voucher or other documentation relating to such Transaction was not validly completed or submitted in accordance with the relevant provisions of the Conditions;
 - 7.7.3. the Transaction Data for such Transaction was not validly prepared or submitted in accordance with the relevant provisions of the Conditions (including where it was submitted outside of the required timescales);
 - 7.7.4. any signature on any Sales Draft or Terminal Receipt or any other document required to be signed by the Cardholder in relation to the Transaction does not substantially resemble that on the Cardholder's Card;
 - 7.7.5. the Transaction is a Sale Transaction and the applicable Sale Items have not been supplied in accordance with the terms agreed with the Cardholder, or (in the case of Sale Goods) were not fit for their purpose, or (in the case of Sale Services) were not supplied with reasonable care and skill;
 - 7.7.6. DNAP does not receive payment from the Relevant Acquirer or Card Issuer on the grounds that the Transaction was in violation of, or voidable by operation of, any Applicable Laws;
 - 7.7.7. the Cardholder denies having entered into or authorised the Transaction or the sale, supply, delivery, quality or performance of the applicable Sale Items;
 - 7.7.8. in the case of a Card-Not-Present Transaction, the Cardholder alleges that a Credit adjustment was requested and refused, was or agreed by the Merchant but not implemented; or
 - 7.7.9. in the case of a Card-Not-Present Transaction, any information referred to in clause 3.2 is fictitious or otherwise invalid in any respect.

8. SUBMISSION OF TRANSACTION DATA

- 8.1. The Merchant shall, within thirty (30) calendar days of each Transaction, submit to DNAP:
- 8.1.1. details of each such Transaction, by:
 - 8.1.1.1. delivering or posting to DNAP a copy of the relevant Sales Draft; or
 - 8.1.1.2. if DNAP has previously confirmed in writing that such details may be presented electronically, by submission of such information electronically in such form and manner as DNAP may from time to time reasonably require; and
 - 8.1.2. a summary statement of such Sales Draft (which may be submitted electronically where permitted pursuant to clause 8.1.1.2) which shall include the following information:
 - 8.1.2.1. name, address and telephone number of the Merchant;
 - 8.1.2.2. the Merchant's identification number (or MID) assigned by DNAP to the Merchant;
 - 8.1.2.3. the total sales amount (and the total amount payable by Card, if different);
 - 8.1.2.4. the amount of tax payable in respect of the Transaction;
 - 8.1.2.5. the date of submission to DNAP; and
 - 8.1.2.6. the Sales Draft number.
- 8.2. In respect of each submission of Transaction Data, the Merchant warrants to DNAP that:
- 8.2.1. for each Card Transaction, the Card presented to the Merchant had not expired and was not listed or identified on a Stop List at the time of the Transaction;
 - 8.2.2. all Transaction Data is legible, and has not been corrected or amended as to the value of the relevant Transaction;
 - 8.2.3. all Transaction Data is in the form authorised by DNAP;
 - 8.2.4. all Transaction Data represents (to the best of the Merchant's knowledge and belief at the time of such submission) an unconditional obligation of the Customer, not subject to any disputes, offsets or counterclaims;
 - 8.2.5. for each Card Transaction which exceeded the Floor Limit, Authorisation was obtained in accordance with the terms of the Conditions and the Transaction Data contains the relevant Authorisation/approval code;



- 8.2.6. all statements of fact contained in the Transaction Data are true;
 - 8.2.7. where the Transaction is a Sale Transaction, the Merchant has supplied, or caused to be supplied, the applicable Sale Items (and to the associated value stated in the Sales Draft);
 - 8.2.8. no Sales Draft, Transaction Data or other associated information has been or will be issued or presented to DNAP more than once, or has been or will be otherwise duplicated, in respect of a Transaction (unless specifically requested by DNAP); and
 - 8.2.9. the Transaction Data was issued only in respect of an authorised Transaction meeting the requirements of the Conditions, any Procedure Guide and all applicable instructions from DNAP or a Relevant Acquirer.
- 8.3. If any Transaction Data is received by DNAP after 17:00 GMT on a Business Day, or on a day other than a Business Day, such Transaction Data shall be deemed to have been received on the following Business Day.

9. PAYMENT SCHEMES

- 9.1. The Merchant acknowledges and agrees:
- 9.1.1. that the Payment Schemes are the sole and exclusive owner of the Payment Scheme Marks;
 - 9.1.2. not to contest the ownership of the Payment Scheme Marks for any reason;
 - 9.1.3. that the Payment Schemes may at any time, immediately and without advance notice, prohibit the Merchant from using any of the Payment Scheme Marks for any reason;
 - 9.1.4. that the Payment Schemes have the right to enforce any provision of the Payment Scheme Rules and to prohibit the Merchant from engaging in any conduct a Payment Scheme deems could injure or could create a risk of harm or damage to the Payment Scheme (including damage to reputation) or that could adversely affect the integrity of the Payment Schemes and payment systems, the Payment Schemes' confidential information; and
 - 9.1.5. that the Merchant shall not take any action that could interfere with or prevent the exercise of any such rights by the Payment Scheme.

10. COLLATERAL

- 10.1. Without prejudice to clause 11.1, the Merchant agrees that the applicable Acquirer shall be entitled to deduct the Rolling Reserve from all Settlements, at the Rolling Reserve Rate.
- 10.2. Each Acquirer shall be entitled, in its absolute discretion and without notice to the Merchant, to convert all or any part of the Rolling Reserve to a Security Deposit at any time (and references in the Conditions to the Security Deposit shall accordingly include the amount of the Rolling Reserve so converted).
- 10.3. In addition to the Rolling Reserve, the Merchant shall make payment of the Security Deposit at the relevant amount as may be notified by DNAP to the Merchant from time to time. If the amount of Security Deposit held by an Acquirer falls below such amount at any time (including where DNAP appropriates any amount of the Security Deposit in payment of any Merchant Liabilities), DNAP shall be entitled to suspend provision of the Services until the Security Deposit is replenished.
- 10.4. Without prejudice to any other provision of the Agreement, if at any time any Acquirer considers in good faith that there is a high risk of Chargebacks, the Merchant shall on demand by such Acquirer make payment of such additional Security Deposit in such amount as such Acquirer specifies to cover such risk.
- 10.5. The Collateral shall remain in the Reserve Account for not less than twenty-six (26) weeks (or longer, as may be notified by the applicable Acquirer) following the date of termination of the Agreement or the date on which the Merchant last submitted Transaction Data (whichever is later), provided, however, that the Merchant shall remain liable to each Acquirer for all liabilities occurring beyond such twenty-six (26) week period.
- 10.6. In its absolute discretion, each Acquirer may upon giving written notice to the Merchant (with immediate effect and at any time):
- 10.6.1. change the Rolling Reserve Rate; and/or
 - 10.6.2. change the amount of the Security Deposit,
- taking into account the nature and extent of the Merchant's Transactions, Refunds, Chargebacks and other risk considerations, including any fraudulent activity.
- 10.7. Each Acquirer may establish, remove, or waive the Collateral at any time with immediate effect and at its sole discretion (taking into account the nature and extent of the Merchant's Transactions, Refunds, Chargebacks and other risk considerations including any fraudulent activity).
- 10.8. The Acquirer shall not be obliged to give advance notice to the Merchant where such Acquirer appropriates any amount of the Security Deposit in payment of any Merchant Liabilities or where it exercises its rights under clause 10.7, but it shall notify the Merchant within a reasonable period thereafter.
- 10.9. Each Acquirer may at any time, in its absolute discretion and without notice to the Merchant, change the terms of the Reserve Account or where the Reserve Account is held.



- 10.10. The Merchant expressly acknowledges and agrees that:
- 10.10.1. the Collateral is separate to (and does not form part of any) funds belonging to the Merchant;
 - 10.10.2. it has no legal or equitable right or interest in the Collateral;
 - 10.10.3. it has no right to direct or control the operation of the Reserve Account or the payment of the Collateral;
 - 10.10.4. it has no right to (and will not purport to) assign, create, grant or allow any security interest or encumbrance in respect of the Collateral or the Reserve Account; and
 - 10.10.5. subject to Applicable Laws related to safeguarding clients' funds, DNAP may transfer to any Relevant Acquirer any Collateral held by DNAP.
- 10.11. Each Acquirer reserves the right to immediately impose further charges on the Merchant if such Acquirer considers that the total value of Refunds, Credits and/or Chargebacks is high.
- 10.12. All DNAP's rights with respect to the Collateral (and any associated rights of the Acquirers, the Payment Schemes and the Card Issuers) shall survive the termination of the Agreement.

11. REMITTANCE

- 11.1. DNAP shall make payment of Settlement to the Merchant, after deduction of:
- 11.1.1. the Transaction Fee and, if applicable, Non-transaction Fee;
 - 11.1.2. the Rolling Reserve (at the Rolling Reserve Rate);
 - 11.1.3. any applicable Chargebacks, Chargeback Costs, Fines or other amounts in accordance with the relevant provisions of clause 7;
 - 11.1.4. any applicable Refunds;
 - 11.1.5. amounts relating to any fraudulent Transactions;
 - 11.1.6. (where applicable) any amounts withheld or set-off pursuant to clause 10 of Schedule 2; and
 - 11.1.7. any other permitted amounts in accordance with the terms of the Agreement.
- 11.2. Remittance shall be effected to the Merchant:
- 11.2.1. in accordance with the Remittance Timescale, only in respect of a Transaction for which Transaction Data has been submitted to DNAP by the Merchant in accordance with the Agreement;
 - 11.2.2. by payment to the Merchant Bank Account.

12. PAYMENTS

- 12.1. If Settlement is made by DNAP for the Transactions acquired by the Relevant Acquirers, subject always to the Applicable Laws, the Merchant authorises:
- 12.1.1. the Relevant Acquirer to pay Settlement to DNAP;
 - 12.1.2. DNAP to hold such Settlement on trust for the Merchant.

13. DATA AND PCI DSS

- 13.1. Without prejudice to the Merchant's obligations under clause 4.5.2 of Schedule 2, DNAP shall provide reasonable assistance to the Merchant, at the Merchant's request, in obtaining or gathering Data if and to the extent DNAP is able to gain access to the Data, but reserves the right to charge the Merchant for doing so.
- 13.2. At all times while Data is in the possession or control of the Merchant or its Personnel, the Merchant shall ensure that the Data is kept secure and is used only for the purposes of the Agreement and that all relevant Applicable Laws are observed and performed with regard to it.
- 13.3. Subject to clause 13.4 but notwithstanding any other provision of the Conditions, each party shall ensure (to the maximum extent possible under Applicable Laws and regardless of any other similar obligations imposed by Applicable Laws) the security, integrity and confidentiality of Data in its possession (**Data Control**) on the following basis:
- 13.3.1. DNAP accepts responsibility for Data Control in respect of any Data the Merchant or Customers deliver to DNAP, upon receipt of such Data by DNAP;
 - 13.3.2. in circumstances where Data is to be delivered to DNAP by or on behalf of the Merchant, the Merchant accepts responsibility for Data Control, and for the collection, storage and delivery of such Data to DNAP in a medium and format agreed with DNAP.
- 13.4. DNAP may at any time refuse to accept Data from the Merchant where the requirements specified in any Procedure Guide or any instructions issued by DNAP or a Relevant Acquirer from time to time relating to Data Control are not satisfied in full. DNAP's processing of



any Data shall not preclude DNAP from subsequently requiring its replacement, deletion or correction by the Merchant (and the Merchant shall promptly comply with any such requirement).

- 13.5. The Merchant acknowledges and agrees that it shall (and shall procure that its Personnel shall) abide by the PCI DSS. The PCI DSS require the Merchant and DNAP, among other things, to observe standards of due care with regard to the protection of sensitive Data and to ensure that the Payment System is compliant with those standards. Accordingly, without prejudice to the generality of the foregoing, the Merchant shall ensure that the Payment System complies in all respects with the PCI DSS, including requirements to:
- 13.5.1. build and maintain a secure network (to include the installation and maintenance of a fire wall configuration to protect Data and not to use vendor supplied defaults for system passwords and other security parameters);
 - 13.5.2. protect Data (including protecting stored Data and encrypting transmission of Data across open or public networks);
 - 13.5.3. maintain a vulnerability management programme (including the use of appropriate and regularly updated anti-virus software and developing and maintaining secure systems and applications);
 - 13.5.4. implement strong access control measures (including restricting access to Data by business need-to-know, assigning a unique ID to each person with computer access and restricting physical access to Data);
 - 13.5.5. regularly monitor and test networks (including tracking and monitoring all access to network resources and Data and regularly testing security systems and processes); and
 - 13.5.6. maintain an appropriate information security policy.
- 13.6. The Merchant shall notify DNAP immediately if the Merchant becomes aware of or suspects any security breach relating to Data (whether or not the Merchant has complied with the PCI DSS Standards). As soon as reasonably practicable, the Merchant shall also (and without prejudice to any other remedy DNAP has in respect thereof) immediately identify and remediate the source of such security breach and take any steps that DNAP requires, including the procurement (at the Merchant's cost) of forensic reports from third parties recommended by DNAP.
- 13.7. Where DNAP identifies or suspects any relevant fraudulent activity or security threats, DNAP shall promptly inform the Merchant via the Portal (or by such other means as DNAP may consider appropriate at the time, having regard to the relevant circumstances). The Merchant shall promptly DNAP's instructions (and promptly take such action as DNAP may specify) relating to such actual or suspected fraudulent activity or security threats.
- 13.8. The Merchant's obligations under this clause 13 shall survive termination of the Agreement and shall continue in full force and effect until all Data obtained under the Agreement has been destroyed.