

MERCHANT ESTABLISHMENT AGREEMENT

This Merchant Establishment Agreement (“Agreement”) is made and executed at [●] on this [●] day of [●], [●] by and between:

SBI Payment Services Private Ltd incorporated under the Indian Companies Act 1956 having its registered office at 23rd Floor, Urmi Estate 95, Ganpatrao Kadam Marg, Opposite Peninsula Business Park, Lower Parel West, Mumbai – 400013 (hereinafter referred to as “SBI Payments” which expression shall be deemed to mean and include, unless repugnant to the context or meaning thereof, its successors and assigns)

AND

_____, a partnership firm registered under the provisions of the Indian Partnership Act, 1932, having its registered office/principle place of business at _____, (hereinafter referred to as the “Merchant” which expression shall, unless it be repugnant to the context or meaning thereto, be deemed to mean and include the partners for the time being of the said firm, the survivors or survivor of them and the heirs, executors, administrators, successors, legal representatives and permitted assigns).

OR

_____, of _____, Indian inhabitant, carrying on business in the firm name and style of M/s. _____ as sole proprietor thereof, having his / her registered office/principle place of business at _____ (hereinafter referred to as the “Merchant” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include his / her heirs, executors, administrators and legal representatives and permitted assigns).

OR

_____, a company incorporated, registered and in existence under the provisions of the Companies Act, and having its registered office at _____, (hereinafter referred to as the ‘Merchant’, which term shall, unless repugnant to the context or meaning thereof, mean and include its successors and permitted assigns)

OR

_____ (herein after referred to as “Merchant” which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns) of the One Part

(SBI Payments and the Merchant are hereinafter referred to collectively as “Parties” and individually as “Party”, wherever the context so admits.)

WHEREAS, the Merchant is in the business of providing merchandise/services to customers and is desirous of enabling its customers to use the services under the system of Card Organization(s); and

WHEREAS the Merchant is desirous of being approved as an establishment for the purpose of payment processing of transactions made by any Valid Card, QR and SBI Payments has agreed to provide certain services to the Merchant at his registered office/branches under the system of Card Organization on the terms and conditions set forth herewith.

1. DEFINITIONS

“**Affiliate**” means, as to any entity, any other entity that, directly or indirectly, Controls, is Controlled by or is under common Control with such entity.

“**Authorization**” means the process by which SBI Payments approves a Transaction as stipulated by SBI Payments from time to time and includes approvals flashed on the PoS terminals deployed/approved by SBI Payments at the premises, site or location of the Merchant.

“**Business Activity**” means the trading activity in products/goods/services engaged by the Merchant at the time of Merchant Boarding;

“**Card Member**” or “**Member**” means a person holding a Valid Card and making payment using a Valid Card.

Customer means a person making payment using a Valid Card, SBI Yono or QR.

“**Card Organization/Card Scheme**” includes VISA, MasterCard, RuPay(NPCI), AMEX and any other card organization acceptable to SBI Payments presently or in future, offering credit, debit or any other card program to Issuers.

“**Cash @ PoS**”/ “Cash Withdrawal at PoS” is payment of cash by the Merchant to the card member as per RBI guidelines circulated from time to time.

“**Chargeback**” means a dispute raised by the Issuer, if it determines that the transaction was processed in violation of the rules listed out in Visa/ MasterCard /RuPay/ NPCI guidelines.

“**Charge Slip**” means the form generated physically or digitally in accordance with the Merchant Operating Instructions using the Point-of-Sale terminal provided/approved by SBI Payments to the Merchant after swiping the Valid Card to enable the Merchant to record charges.

“**Control**”, “**Controlled by**” or “**under common Control with**” mean, with respect to any entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities (or other ownership interest), by contract or otherwise or to own more than 50% of the outstanding voting securities or other ownership interest of such person, and such circumstance is previously evidenced by the relevant Part by reasonable evidence.

“**Dynamic Currency Conversion (DCC)**” means the facility

provided by SBI Payments allowing the cardholder to pay for the transactions i.e., purchase of goods and/or availment of services in the Billing Currency or the local currency

“**Incident Response Protocol**” means the response procedure to be followed by the Merchant as advised by the SBI Payments in case of suspected or known breaches on the Merchant’s system or of a service provider.

“**Inactive Merchant**” means a Merchant at whose location no transaction has been taken at the PoS terminal installed at the location continuously for 45 days.

“**Issuer**” means a licensee of a Card Organization issuing a Valid Card.

“**Merchant Boarding**” means acceptance of the Merchant enrolment by the SBI Payments for installation of PoS terminal.

“**Merchant Account**” shall mean the running account without debit/credit restrictions provided by the Merchant to SBI Payments for the purpose of the payments and other transactions between SBI Payments and the Merchant and which SBI Payments may debit /credit in terms of this agreement.

“**Merchant Discount Rate (MDR)**” means the rate as set out in Annexure C to this Agreement and charged by SBI Payments. SBI Payments in consideration of providing the services herein. For calculating the Merchant Discount Rate, the amount would be the aggregate amount of the bill including taxes and other charges, if any.

“**On-Us**” means when a State Bank Group Debit Card is swiped on SBI Payments PoS Terminal.

“**Off-Us**” means when cards other than State Bank Group Debit Cards are swiped on SBI Payments PoS terminal.

“**PCIDSS**” means Payment Card Industry Data Security Standard being an information security standard defined by the Payment Card Industry Security Standards Council.

“**Point of Sale Terminal (PoS)**” means any equipment or device provided by SBI Payments to facilitate acceptance of payment by means of cards, QR, SBI Yono.

“**QR**” refers to the QR code based acceptance solution provided by SBI Payments to its merchants for accepting payment from their Customers by scanning QR code using the bank customer app or UPI app. QR is interoperable amongst banks and accepts any product (e.g., RuPay Credit Card on UPI, Credit Line on UPI, etc.) as determined by the National Payments Corporation of India (NPCI) and offered by SBI Payments. Payment can be accepted from the customer of any bank having a bank customer app or UPI app.

“**Retrieval Request**” means a request made by the Issuer to obtain details of the transactions.

“**Rules**” means the rules, regulations and/or requirement, releases, interpretations and other requirements that are

promulgated, imposed or adopted by Card Organization(s)/SBI Payments/RBI/NPCI etc., and as they may from time to time be amended.

“**SBI Yono**” refers to the Mobile Application of the State Bank of India through which customers can either make payments or withdraw cash from the merchants.

“**Sound Box**” means a smart device that will act as a part of the POS machine providing audio transaction updates. The device will come with network connectivity through a SIM card and will have a speaker. Once the Customer makes the payment by scanning the QR code, the Sound Box will notify the Merchant that the payment is completed successfully. Whenever the Merchant accepts the payment by scanning (Static) QR code through POS Machine, the Sound Box will notify the Entity that the payment is completed successfully by announcing the amount loudly on a successful transaction.

“**Transaction or Charge**” means an act between a Card Member and the Merchant for the payment by a Card Member to the Merchant towards the Card Member’s purchase of merchandise/goods or services from the Merchant resulting into a valid host response (Authorization/ decline/ referral etc.) through either Card or SBI Yono or by scanning of QR.

“**UPI**” Unified Payments Interface is a payment system developed by NPCI facilitating person-to-merchant transactions.

“**Valid Card**” means a credit or debit or any other card issued by an Issuer or a Card Organization : (a) which is permitted by SBI Payments for Transaction(s), (b) bears Card Organization’s logo, hologram and name of the Issuer and such other details as maybe stipulated by SBI Payments from time to time, (c) has not expired, (d) bears the signature of the person whose name is embossed on the card, (e) is not mutilated, altered or damaged and (f) is not listed in any Alert by the card schemes.

“**Valid Charge**” is a charge which is charged to the holder of a Valid Card on a Charge Slip in respect of a payment to be made by the cardholder to the Merchant bearing an imprint of a Valid Card and bearing the same signature as that on the Valid Card, which charge slip is generated in accordance with the Merchant Operating Instructions using the point of sale (“PoS”) terminal provided/approved by SBI Payments to the Merchant-

“**VISA/ MasterCard/ RuPay/ Amex/ NPCI Dispute Resolution Rules**” are rules defined/amended from time to time and provided in the websites of Card Schemes i.e., VISA, MasterCard, RuPay, AMEX and NPCI, etc. for settlement of disputes raised by the Issuer

2. MERCHANT’S OBLIGATIONS

(a) The Merchant hereby agrees to undertake that all transactions must be made in INR unless otherwise agreed in writing between SBI Payments and the Merchant.

(b) The Merchant hereby agrees to pay SBI Payments all the expenses that may be incurred by SBI Payments for

repairing/replacing the equipment which may get damaged as a result of improper/mishandling by the merchant.

(c) The Merchant agrees to bear the cost of electricity consumed by the equipment and telephone /GPRS charges (if notified by SBI Payments) payable in connection with the equipment.

(d) The Merchant hereby undertakes to honour and accept every Valid Card/SBI Yono/QR when properly presented for payment by the customer for a Transaction. The Merchant shall not engage in acceptance or practices that discriminate against or discourage the use of any Valid Card in favour of any other card that is accepted by the Merchant, or any other payment mode accepted by the Merchant. The Merchant should not levy any charges on the Customer for permitting the customer to use a valid card/SBI Yono/ QR. The merchant shall not place any minimum transaction limit for using a valid card/Yono/ QR.

(e) After ensuring that the card is a Valid Card, the merchant, shall swipe/dip/tap the card on the PoS terminal and enter the details of the transaction as displayed and ensure that Reserve Bank of India guidelines for card present scenario which requires entering of PIN (as applicable) are followed - Merchant shall ensure entering of PIN by the cardholder and to ensure that while entering of PIN sufficient privacy is given to the cardholder.

(f) The Merchant shall obtain the signature of the card member on the Charge Slip/Mobile Device in case of a Mobile Point of Sale terminal and verify the same with the signature of the Card Member on the back of the Valid Card. In case of a photo card, merchant shall also verify that the photograph on the card matches with the cardholder. For international/foreign card transaction(s) the merchant should ensure that the identity proof of the cardholder, preferably a copy of the valid passport is verified and obtained.

(g) The Merchant shall retain the Charge Slip(s) and the bill(s)/invoice(s) pertaining to the Charge Slip for a period of 18 months from the submission date or such further period as SBI Payments may stipulate from time to time and make those promptly available to SBI Payments on request. The cardholder's copy of the charge slip is to be provided to the cardholder duly completed.

(h) As and when SBI Payments representative requests for a particular Charge Slip, the same shall be handed over to SBI Payments immediately. If on account of non-compliance, SBI Payments incurs any loss, the same shall be made good by the Merchant inclusive of all charges, interest and costs.

(i) The Merchant shall make best efforts to recover and retain any card:-
in respect of which a request has been made by a Card Organization to recover the card; or which the Merchant has sufficient and reasonable grounds to believe to be counterfeit, fraudulent or stolen.

The Merchant shall promptly notify SBI Payments of any such recovery and retention and will deliver the card so recovered to SBI Payments / Card Organization within 24 (Twenty-Four) hours of such recovery and retention.

(j) The Merchant shall permit SBI Payments or its representative for installation of the PoS terminal/device in the premises of the merchant at the time of Merchant Boarding and de-installation of the PoS terminal in case of off-board at the registered address herewith. In case of installation of PoS terminal(s) at the branches or offices or at other locations of the merchant, the details of the branches/offices needs to be provided by the merchant in writing to SBI Payments prior to installation. SBI Payments may at its discretion install the terminal at the branches/offices.

(k) The Merchant shall under no circumstances adopt unethical transaction practices such as making transactions with his/ its own card/SBI Yono/QR making transactions without a valid purchase, etc.

(l) The Merchant shall under no circumstances shift the equipment from its designated location without SBI Payments's prior consent recorded in writing or notify by registered email.

(m) The Merchant shall immediately notify SBI Payments about any changes in the contact details like address, Phone /Mobile Number, Email Id, Account number, line of business etc. for updation in SBI Payments records. SBI Payments shall not be responsible for any loss to the merchant due to non-informing SBI Payments for any change in communication details.

(n) The Merchant shall make best efforts to perform the settlement procedure on the terminal on a daily basis.

3. AUTHORISATION AND SUBMISSION OF CHARGES

(a) Authorization in respect of charges shall be obtained by swiping/dipping the Valid Card using the PoS terminal (online authorization) provided /approved by SBI Payments. If the Merchant accepts charges without authorization/printing of charge slip, SBI Payments shall not be responsible for such charges or any part thereof.

(b) The Merchant under no circumstances shall split the swipe/transaction amount for a single purchase into 2 (Two) or more transactions/charge slips.

(c) SBI Payments reserves the right to refuse the charges if an Authorization is declined/charge slip is not printed.

(d) By presentation of the Charge Slip(s), the Merchant represents and warrants that:

i) No other Charge Slip has been or will be issued or presented in respect of the same Transaction.

ii) The relevant Charge Slip represents a genuine business Transaction undertaken by a Card Member using a Valid Card/SBI Yono/ QR in respect of which the Merchant has, or will, duly discharge all the Merchant's obligations.

(e) i) Unsettled (Open) Transactions: Merchant must settle

the transactions at the end of the same day where possible and no later than the next (i.e. Transaction +1). Non settlement of transactions for more than 3 days from the date of transaction attracts a penalty of 0.50% over and above the agreed MDR payable in terms of VISA/ MasterCard/ RuPay/ AMEX/NPCI guidelines.

ii) The merchant agrees to settle the transaction in any case before 4 days failing which the merchant loses the claim on the unsettled amount. In case the merchant is unable to settle the transaction due to software/hardware issues, the merchant needs to lodge a complaint on the helpline number within one hour of any such complaints.

iii) The period of unsettled transactions and interchange are subject to change as per Card Organization/SBI Payments/RBI/NPCI etc. and will be notified to the merchants from time to time.

4. PAYMENTS TO THE MERCHANT

(a) Subject to the terms of this Agreement, SBI Payments shall under normal circumstances pay to the Merchant within agreed timelines as per Annexure C of receipt, payment for the relevant transactions in an amount equal to the total amount listed on the relevant signed Charge Slip(s) less the applicable Merchant Discount Rate. Net payments to the Merchant shall be made by SBI Payments to the account of the Merchant with SBI Payments (the Merchant's Account). SBI Payments shall be entitled to set off the amounts due to SBI Payments from amounts in the accounts / deposits of the Merchant with SBI Payments.

(b) Where SBI Payments has reason to believe that any charges have been negligently or fraudulently incurred or charged either on a Valid Card or a counterfeit card or where SBI Payments has reason to investigate or cause to be investigated any charges, SBI Payments shall be entitled to withhold payment under this Agreement to the Merchant pending enquiries by SBI Payments and resolution of the same to the satisfaction of SBI Payments, failing which SBI Payments shall be entitled not to pay the same.

(c) SBI Payments exercises the right to set off a lien on the credit value in the account of the Merchant or the unsettled transactions in the pipeline in the event of failure by the Merchant in providing necessary valid proof of transaction to the Retrieval Request/Chargeback/Suspicious Transaction received from the Issuer through the Card Schemes.

5. ACCEPTANCE OF CHARGES WITH RECOURSE-CHARGEBACKS

The Merchant agrees that any charges accepted by the Merchant, which proves to be uncollectable, and which were incurred in any of the following circumstances shall be the exclusive financial responsibility of the Merchant. The Merchant agrees to the non-payment of such charges or the Chargeback debit of such uncollectable charges (as the case may be) by SBI Payments, without any demur or protest:

(a) Any charge which is not a Valid Charge and/or which is made by a card, which is not a Valid Card at the time of

incurring of the charge by the Card Member.

Any charge incurred outside the territory authorized for the use of a Valid Card.

(b) Any charge incurred involving the forgery of the Card Member's signature on the Charge Slip and/ or where SBI Payments reasonably believes the transaction to be irregular and/ or fraudulent.

(c) Any charge incurred which involves a Charge Slip which is incomplete or illegible as to the Card Member's name, the number of the Valid Card or the signature of the cardholder.

(d) Any settlement received by SBI Payments more than 4 (four) days after a Card Member incurred the charges and were authorized by SBI Payments.

(e) Any charges (as set out in Clause 3) without prior Authorization of SBI Payments as provided in this agreement.

(f) Any charges for merchandising or services in an amount in excess of the advertised price.

(g) The card presented to the Merchant in respect of the transaction was listed in a Warning List or any other communication or advice from time to time.

(h) Any charges with respect to which a Card Member refuses to pay because the merchandising or services purchased from the Merchant were not delivered or are not as promised or the merchandise was defective or services deficient in any respect subject to Card Schemes Dispute Resolution Rules.

(i) Charges that the Card Organization disputes or reports as a Retrieval Request/fraud/chargeback.

(j) There is a violation of the terms and conditions in relation to a Transaction or any Merchant Operating Instructions.

(k) Change of "Business Activity"/ "Business Name"/ "Business Location" without informing to SBI Payments and acceptance of change by SBI Payments.

6. INDEMNITY

(a) The Merchant will indemnify (and not hold SBI Payments responsible), and hereby keeps SBI Payments, its Affiliates, and their respective directors, officers, employees and agents indemnified and harmless from and against any claims, Chargebacks, demand, action, suits or proceeding, liabilities, losses, costs, expenses, taxes, legal fees, fines, penalties or damages asserted against or incurred or suffered by SBI Payments on account of acts or omissions of the Merchant in connection with the sale of goods and/or services (by the Merchant), the performance of this Agreement, breach of a contract or duty by the Merchant, misuse of the PoS terminal or any other device provided/approved by SBI Payments, Merchant's failure to observe any of the procedures, requirements or obligations to be complied with in accordance with the Rules/ by-laws or regulations of any Card Schemes, negligence or fraud of any

employee/servant/contractor etc. of the Merchant, any of the representations or warranties of the Merchant becoming false or untrue or on account of any dispute of the Merchant with any customer or other third party.

(b) The Merchant shall be responsible for the payment of any non-compliance fines or other penalties resulting from non-completion or non-compliance of the PCIDSS validation program or any other security standards as laid down from time to time and the Merchant shall keep SBI Payments fully indemnified from any claims, demand or damages incurred by SBI Payments due to such non-completion / non-compliance.

(c) The indemnities provided herein shall survive the termination/cancellation hereof in so far as it pertains to events that transpired during the subsistence hereof.

7. POINT OF SALE TERMINALS

(a) SBI Payments, at its discretion, may provide the Merchant with one or more Point of Sale ("PoS") terminal(s), consumables and network access controllers and other devices as it considers appropriate so as to facilitate a Valid Card / SBI Yono / QR Transactions at the premises or establishment of the Merchant.

(b) The Merchant agrees that the PoS terminal/QR code shall be used exclusively at the Merchant's premises/location and for the purposes of facilitating Card /SBI Yono/ QR transactions in connection with the purchase of goods or services for which the Merchant has been signed up and for no other purpose whatsoever in a legal environment.

(c) The Merchant hereby acknowledges, agrees and confirms that the PoS terminals, consumables and network access controllers and any other device or item deployed or provided by SBI Payments are the exclusive properties of SBI Payments and shall be surrendered to SBI Payments on demand during the term of this Agreement and immediately upon any termination or expiry of this Agreement in working condition. Under no circumstances shall the Merchant claim any right, title or interest in or to the PoS terminals or any other device or consumables provided by SBI Payments for any reason whatsoever.

(d) The Merchant shall be responsible for the safekeeping/maintenance of the PoS terminal and all other devices or items deployed or provided by SBI Payments and for the secrecy of any software and keys (embedded into the PoS terminal) and shall neither allow or facilitate any piracy nor violate any copyright/ trademark relating to any software or other intellectual property rights.

(e) The Merchant shall ensure at all times during business hours at least two members of Merchant's staff who have been trained to operate the PoS are available.

(f) The Merchant shall report to SBI Payments any faulty or suspected fault in the operation of equipment within one hour from the knowledge of the same thereof.

(g) **The Merchant shall not:**

i) Sell, assign, transfer, lease or otherwise dispose of any PoS terminals or any other device or materials deployed or provided by SBI Payments;

ii) mortgage, charge, hypothecate, create or permit to exist any liens or other security interests over any PoS terminals or any other device or materials deployed or provided by SBI Payments;

iii) Remove, conceal or alter any markings, tags or dates attached to the PoS Terminals or other devices or any part thereof indicating SBI Payments's ownership of such PoS Terminals or devices.

iv) Cause or allow SBI Payments's right to access, repossess or dispose of the PoS terminals or any other device deployed or provided by SBI Payments pursuant to this Agreement or otherwise to be encumbered in any way or otherwise jeopardized by any act or omission of the Merchant or its servants, representatives or agents or because of any other factor within the Merchant's control.

v) Permit any third party to perform the maintenance services on the PoS terminals or any other device deployed or provided by SBI Payments or effect modifications, enhancement or software/engineering changes to the PoS terminals or any other device deployed or provided by SBI Payments, without the prior written consent of SBI Payments or its authorization to its representatives.

vi) Alter, modify or otherwise in the programme in the PoS

h) Use of Third-Party Terminals:

i) In case the merchant is willing to use the terminals supplied by third party for card acceptance under the acquiring arrangement with SBI Payments, the arrangement shall require prior approval from SBI Payments.

ii) All costs and expenses relating to the terminals supplied by a third party shall be borne by the merchant until and unless agreed by SBI Payments in writing.

iii) SBI Payments shall not be responsible for the operation, maintenance and the ability of such terminals to communicate to our system.

iv) Merchant shall notify SBI Payments at least 15 days prior to the termination/change in the arrangement with the approved third party.

i) Any loss or damage arising out of negligence or misuse of the PoS terminal or any other device deployed or provided by SBI Payments due to any reason shall be to the account of the Merchant, and SBI Payments reserves the right to recover such losses from the Merchant and SBI Payments shall be entitled to set off such losses from the amounts due to the Merchant or from the amounts in the accounts/deposits of the Merchant with SBI Payments..

j) SBI Payments reserves the right to withdraw at any time, and from time to time, the PoS terminals or any other device or consumables deployed or provided by SBI Payments at any time from the location/premises of the Merchant, in its

sole discretion, for any or no reason and without assigning any reason whatsoever, and its decision shall be final and binding upon the Merchant, without any demur, protest or objection from the Merchant.

k) The Merchant shall permit the authorized representatives of SBI Payments to carry out physical inspections or audits of the PoS terminals or any other device or consumables deployed or provided by SBI Payments at anytime during business hours, with or without notice.

l) Merchant shall bear the costs, charges and expenses for electric power or telephone lines or internet connection(s) required in connection with the PoS terminals, or any other device deployed or provided by SBI Payments.

m) The Merchant shall pay monthly commitment charges as mentioned in Annexure C and in case he fails to generate the minimum volume of sales as decided by SBI Payments from time to time. Such service charge shall be recovered from the merchant from the settlement account/net credit proceeds in the subsequent month without any intimation. In case a merchant notes any discrepancy the same shall be given in writing to the office within 7 days of such recovery failing which SBI Payments would assume that the charges were correct.

n) The Merchant agrees to pay other charges as mentioned in Annexure C and SBI Payments has the right to recover charges from the merchant accordingly.

o) Merchants wanting a hard copy of the monthly transaction MIS, may request the same to SBI Payments in writing for a charge which may be determined from time to time. The transaction details would be provided to the Merchant within 15 Days of the subsequent Month except in circumstances beyond the control of SBI Payments.

p) The Merchant hereby agrees to pay the charges as signed up in the Merchant Application form. Merchant also agrees to receive SMS on the registered Mobile Numbers from SBI Payments and its authorized vendors, from time to time, on matters relating to PoS Terminals/ QR.etc.

8. COMPLIANCE

(a) The Merchant hereby confirms and acknowledges that the Merchant has complied and shall comply with all applicable laws of the land including all applicable RBI regulations and further acknowledges that SBI Payments shall have no obligation to verify whether or not the Merchant has acted in accordance therewith. The Merchant hereby also confirms and acknowledges that the Merchant is aware of and agrees to abide by the Rules.

(b) The Merchant hereby agrees and confirms that SBI Payments will be entitled to stipulate or amend at any time, and from time to time, operating rules relating to (i) the Transactions contemplated by this Agreement; (ii) any services that may be rendered hereunder to the Merchant by SBI Payments; (iii) any use, ownership or maintenance of the PoS terminals, devices and consumables provided by SBI Payments to the Merchant; (iv) any other matter relating to use or Authorization of the cards; or any dealing with Card

Members. The Merchant hereby agrees to comply, follow and abide by such Merchant Operating Instructions as applicable from time to time as per SBI Payments/Card Schemes/RBI/NPCI requirements.

In the interest of security of card transactions, the Merchant or any other service provider engaged by the Merchant who participates in the processing, transmission or storage of card payment details shall comply with the PCIDSS standards/other security guidelines. All costs in relation to the completion of such validation shall be borne by the Merchant. The Merchant shall on request provide details of any service providers who facilitate transactions on behalf of the Merchant to SBI Payments and their status of compliance (as applicable from time to time).

(c) The Merchant irrevocably agrees with SBI Payments, that all payment processing effected on the PoS, installed in the premises of the Merchant, shall be deemed to have effected by the Merchant, its authorised employees and/or agents. The Merchant shall not dispute claim or deny the payment processing for any reason.

(d) The Merchant shall capture only the transactions done in its establishment in the equipment deployed. On no account, shall the merchant offer to capture the transactions done in other establishments.

(e) The Merchant shall not deploy any other payment applications in the equipment which has the capacity to capture card number or card details except as agreed to by SBI Payments. Under no circumstance shall the Merchant store the CVV Number, the PIN / the Magnetic stripe data or any other personal information of the card holder in any form.

(f) The Merchant shall ensure that any software or hardware utilized in the services does not retain its original password and that all passwords are changed on a regular basis.

(g) The Merchant shall ensure that the payment application software version used for processing card payments is PADSS (Payment Application Data Security Standard Council) approved and other global security standards for card present scenarios.

(h) If the Merchant has suffered a data compromise, the Merchant shall provide all information and assistance in line with the Incident response protocol as may be required by SBI Payments to conduct the forensic analysis.

9. CHEQUE CASHING, CASH ADVANCES AND/OR CASH REFUNDS

(a) The Merchant will not allow or make any cash advances and/or cash refunds directly to the Card Members and further that SBI Payments will not be responsible or held liable for such actions except for making transactions under Cash at PoS as defined in Para 21.

(b) Cash @ PoS: Disbursement of cash to the maximum limit prescribed by RBI under the Cash @ PoS scheme at identified Merchant Establishments. The merchant needs to accept the terms and conditions under Annexure B (2) for

doing the same.

10. REPRESENTATIONS AND WARRANTIES

The Merchant represents warrants and covenants to SBI Payments as follows:

(a) The Merchant is a legal entity duly organized, validly existing and in good standing under the laws of India and authorized to enter into this Agreement and to perform its obligations.

(b) This Agreement constitutes valid, legally binding and enforceable obligations of the Merchant.

(c) The Merchant shall take such acts, execute and deliver such further instruments and documents, and generally do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.

(d) To the best of the Merchant's knowledge there is no suit, action, litigation investigation, claim complaint or proceedings in progress or pending or threatened against or relating to the Merchant, which, if determined adversely to the Merchant could prevent the Merchant from fulfilling all of its obligations set out in this Agreement or arising from this Agreement and the Merchant has no knowledge of any existing ground on which any such action, suit, litigation or proceedings might be commenced with any reasonable likelihood of success.

11. TRANSFER OF OWNERSHIP

The Merchant will immediately notify SBI Payments of any sale, assignment, lease or transfer in any way of the Merchant's establishment or business or all or a significant or material part of its assets. The rights obtained under this Agreement are not assignable without written prior approval of SBI Payments.

Where the Merchant proposes to change the nature of business or merchandise sold, which may result in the Merchant Category to be changed in the books of the Card Organization etc., the equipment shall be used only after such change is informed to SBI Payments and acceptance thereof conveyed in writing to the Merchant.

12. DISCLOSURE

SBI Payments will be entitled at any time to disclose any and all information concerning the Merchant within the knowledge and possession of SBI Payments to any party in connection with any card facility provided by SBI Payments, including *inter-alia* information relating to the cause for termination of this Agreement. SBI Payments reserves the right to verify the information provided by the Merchant at the time of signing this agreement or any information that it may receive during the course of this Agreement regarding the Merchant's business activities in such manner as may be deemed appropriate by SBI Payments. This Clause will survive any termination of this Agreement.

13. GOVERNING LAW / JURISDICTION

(a) This Agreement shall be governed by the laws of the Republic of India.

(b) Any dispute or difference arising out of, in relation to or regarding this Agreement shall be subject to the exclusive jurisdiction of the courts at Mumbai. The Parties hereby agree to submit to such courts at Mumbai in respect of any such dispute or difference.

14. TERM AND TERMINATION

(a) The term of this Agreement shall commence on [●] (the "Effective Date") and shall continue to remain in force until and unless otherwise terminated pursuant to the provisions of this Agreement (the "Term").

(b) SBI Payments or the Merchant may terminate this Agreement at any time for any or no reason by giving a 30 (thirty) days notice.

(c) SBI Payments may immediately terminate this Agreement by serving a termination notice to the Merchant if the Merchant fails to observe any of the terms and conditions of this agreement or commits a breach thereof or if the Merchant is an inactive merchant as per SBI Payments evaluating criteria.

15. VALUE ADDED SERVICES

The Parties agree that SBI Payments shall be entitled to offer and provide to the Merchant such Value Added Services that SBI Payments considers appropriate from time to time.

16. CONFIDENTIALITY

(a) Neither Party shall, without the prior written consent of the other Party, use or disclose any information whatsoever relating to any Transactions or any other critical information to any other person or otherwise use any information acquired by it in relation to the Card Members other than for the purposes of this Agreement, unless such information is required to be disclosed by a statutory or regulatory authority of competent jurisdiction.

(b) This confidentiality condition shall continue in force even after the termination of this Agreement in respect of information obtained during the subsistence of this Agreement.

17. AUTHORITY

By signing this Agreement, the Merchant represents that the signatory hereof has full authority to do so and execution of this Agreement by the signatory hereof creates a fully binding obligation on the Merchant.

18. PROMOTIONAL MATERIALS

(a) The Merchant shall display Card Organization's and SBI Payments's symbols and names as well as promotional materials on its premises/location, place(s) of business, establishment(s) provided by SBI Payments and for the information of the public which is valid/shall be used only till the Term of this Agreement.

(b) SBI Payments is hereby irrevocably authorized by the Merchant to include the Merchant's name in any catalogue or any other promotional material as may be prepared or produced by SBI Payments pertaining to acceptance of Valid Cards or the sales, marketing or promotion of any service offerings.

19. PoS FACILITY/MOBILE PoS

At the request of the merchant SBI Payments may provide GPRS enabled/Mobile PoS terminal to the merchant. The rentals/charges mentioned in Annexure A/D, as applicable to this agreement would be applicable and the Merchant agrees that SBI Payments may debit the Merchant account to recover the applicable charges for the services.

a) The rentals may be revised from time to time and SBI Payments shall advise the changes to the merchant on the recorded contact details of the merchant.

b) If the merchant defaults in payments of Rentals for two months, SBI Payments reserves the right to deactivate/deinstall the terminal without any intimation to the merchant and the merchant shall return the terminal to SBI Payments representative, failing which SBI Payments shall recover the cost of the Terminal from the merchant without any notice.

20. DYNAMIC CURRENCY CONVERSION

The following definition shall form part of Clause 1 (Definitions) of the Merchant Establishment Agreement:

“Billing Currency/Home Currency” means the currency in which the bills are raised by the issuing bank for transactions made by use of the card.

“Cut-Off Time” means the time at which the ME is required to perform the end-of-the-day settlement of the transactions in Local Currency' i.e. Indian Rupees

“Transaction Rate” means the exchange rate made available at the time of Transaction by SBI Payments to the cardholder through the merchant establishment for the purpose of calculating the relevant Billing Currency.

Terms and Conditions for operation of SBI Payments DYNAMIC CURRENCY CONVERSION FOR THE MERCHANTS:-

1. At the request of the merchant SBI Payments may provide

DCC facility to the merchants with details mentioned in Annexure B (1) to this Agreement.

2. The Merchant hereby agrees to settle all the DCC transactions on a daily basis by initiating the settlement procedure on the PoS

3. Subject to the rules and regulations of international payment schemes (VISA/MASTERCARD/AMEX), all transactions will be processed in the following manner:-

- a) SBI Payments shall pay the Merchant in accordance to Annexure B (1), the aggregate amount of the transactions in the Local Currency in respect of all such Transactions submitted for settlement and payment by the Merchant
- b) SBI Payments advises the exchange rates to the merchants through the Service Provider and the merchant needs to update the exchange rates on a daily basis at the start of the day.
- c) Foreign card holder offers to make payment using his foreign card (card issued by a foreign Bank)
- d) The Merchant shall swipe/dip the card on the DCC-enabled terminal.
- e) The terminal will identify the home currency of the card and prompt for DCC service or otherwise showing the exchange rate and mark-up being charged.
- f) On acceptance of the DCC service by the cardholder, the merchant goes ahead and completes the transaction after obtaining the relevant proof of identification of the cardholder
- g) Cardholder signs the chargeslip to confirm the transaction.
- h) At end of the day Merchant closes the batch/performs the settlement procedure.

4. The Merchant shall assist SBI Payments in case of any requirement for disputed transactions.

5. SBI Payments shall pay to the Merchant incentives, if any, only if agreed in writing by SBI Payments, of the value of the transactions (less refunds) processed by using the SBI Payments DCC facility in local currency only.

6. The Merchant shall promote SBI Payments DCC to its customers and ensure that its staff and employees comply with the recommended good practice communicated by SBI Payments to the Merchant from time to time

7. SBI Payments shall not be liable under this Agreement in the event of a failure/delay to process payments provided that such failure/delay results from:

- a. The amendment, modification or mistreatment of the DCC application/software by the Merchant
- b. The functioning of the DCC application/Software being affected due to other software/hardware and/or networks not provided/authorized by SBI Payments
- c. Operating errors on the part of the Merchant or its staff and employees, or any third party
- d. For any reasons which can be attributed to the negligent conduct of the Merchant or its employee.

8. All other terms and conditions mentioned in this Agreement would also be applicable for DCC facility.

21. Cash@PoS FACILITY

- i) The minimum amount of withdrawal will be Rs.100/- and thereafter in multiples of Rs.100/- subject to maximum as decided by SBI Payments from time to time but not exceeding the limit set by the regulators.
- ii) Cash withdrawal scheme will be made available to all debit cards and prepaid cards issued in India and as directed by the Reserve Bank of India i.e., cards issued by State Bank Group and other Banks as and when activated by respective issuers.
- iii) A convenience fee may be recovered by the respective card issuing Bank from the account of the cardholder and the merchant shall not collect any charges whatsoever from the cardholder.
- iv) The Cash@PoS facility is available irrespective of whether the card holder makes a purchase or not.
- v) Merchant who would avail of Cash@PoS service exclusively for Cash@PoS transactions would be charged monthly rental as mentioned in Annexure B(2).
- vi) Any display material provided by SBI Payments with reference to the cash withdrawal facility should be displayed prominently on the merchant premises.
- vii) SBI Payments reserves the right to withdraw from the facility of cash withdrawal at its own discretion.
- viii) All other terms and conditions mentioned in this Agreement would also be applicable for the Cash@PoS facility.

22. MISCELLANEOUS

(a) Assignment: This Agreement is non-assignable except with the prior written consent of SBI Payments. However, SBI Payments may assign this Agreement to their respective Affiliates without the consent of the Merchant.

(b) Relationship between Parties: The Parties to this Agreement are independent contractors and nothing in this Agreement shall make them joint venture parties, partners, employees, agents or other representatives of the other Party hereto and neither Party shall make any representation that suggests otherwise.

(c) Severability: If any provision of this Agreement is determined to be unenforceable for any reason, then the remaining provisions hereof shall remain unaffected and in full force and effect.

(d) Rights and Remedies; Waiver: All rights and remedies hereunder shall be cumulative and may be exercised singularly or concurrently. If any legal action is brought to enforce any obligations hereunder, the prevailing Party shall be entitled to receive its attorney's fees, court costs and other collection expenses, in addition to any other relief it may receive. If any Party fails to perform its obligations under any

provision of this Agreement and the other Parties do not enforce such provision, failure to enforce on that occasion shall not prevent enforcement on later occasions.

(e) Survival of Provisions: Notwithstanding any other provision to the contrary herein, terms that by their nature survive termination or expiration of this Agreement shall bind the Parties following any expiration or termination of this Agreement.

(f) Headings and subheadings: The headings and subheadings in this Agreement are for convenience only and do not affect the meaning of the relative Section / Clause.

(g) Notices: (i) All subsequent Annexures form a part and parcel of the Agreement and depend on merchant acceptance and requirement. Arrangement letters signed subsequently shall also form part of the Merchant Agreement.
(ii) Notice and instructions will be deemed to be served 7 days after posting or upon receipt in the case of by post, hand delivery, cable, telex or facsimile.
(iii) SBI Payments will exercise its discretion to allow or block specific transactions on its assessment of the risks involved.

IN WITNESS WHEREOF the parties hereto have set their hands unto on the date first herein above mentioned.

SIGNED SEALED AND DELIVERED

By the within named

MERCHANT:

Through the hands of:
Authorized Signatory Mr.:
In the presence of:

Signature

SBI PAYMENTS:

Through the hands of its
Authorized Signatory Mr.:
In the presence of:

Signature

ANNEXURE A

DETAILS FOR PoS TERMINALS

1. Merchant Name: _____
Address: _____
City: _____ Phone: _____ Email id: _____
State: _____

2. Rental Plan

Periodicity: Monthly Quarterly Half-Yearly Annually

Parameter	PSTN	Desktop GPRS	M-PoS	Portable GPRS	Android
Rental to be collected including SIM charges					
One-Month Non-Refundable Security Deposit to be recovered at the time of installation, per terminal*	NIL	Rs.200/- + Applicable Tax	Rs.200/- + Applicable Tax	Rs.400/- + Applicable Tax	Rs.400/- + Applicable Tax
Basic Service Fee permonth	Rs.99/- + Applicable Tax	Rs.99/- + Applicable Tax	Rs.99/- + Applicable Tax	Rs.99/- + Applicable Tax	Rs.99/- + Applicable Tax

Note – Monthly rental for QR acceptance will be Rs.49/- +GST per month.

* The same will be recovered from the settlement account as provided in the application form without any prior intimation and as and when the application is approved. The merchant has no objection for the same.

3. This Annexure shall be governed by the terms and conditions mentioned in the Merchant Establishment Agreement and shall be deemed to be part and parcel and shall be read in conjunction with the Merchant Establishment Agreement.

Accepted,

_____ (Sign and Stamp of the Merchant)

Noted,

_____ (SBI Payments Seal and Signature)

ANNEXURE B

(1 &2)

(1) ACTIVATION OF DYNAMIC CURRENCY CONVERSION (DCC) FACILITY

1. Merchant Name: _____

Address: _____

City: _____ Phone: _____

State: _____ Email id: _____

2. SBI Payments will reimburse _____ % of the total business or such other rate as may be agreed by SBI Payments, on international cards done via using DCC on the SBI Payments PoS, on a monthly basis. The rate will be subject to the generation of a minimum stipulated DCC business of **Rs** _____ per month per terminal. SBI Payments reserves the right to modify the reimbursement rate in case of non-fulfilment of DCC business.
3. This Annexure shall be governed by the terms and conditions mentioned in the Merchant Establishment Agreement and shall be deemed to be part and parcel and shall be read in conjunction with the Merchant Establishment Agreement.

Accepted,

(Sign and Stamp of the Merchant)

(2) ACTIVATION OF CASH@PoS FACILITY

1. Merchant Name: _____ Address: _____

City: _____ Phone: _____

State: _____ Email id: _____

2. Incentive to the Merchant: SBI Payments will incentivise the merchant with Rs. ___ /- **successful Cash@PoS transaction.**
3. This Annexure shall be governed by the terms and conditions mentioned in the Merchant Establishment Agreement and shall be deemed to be part and parcel and shall be read in conjunction with the Merchant Establishment Agreement.

Accepted,

_____ **(Sign and Stamp of the Merchant)**

(In case Merchant has not applied for such service, not applicable may be written in the space provided)

**ANNEXURE C
(A & B)**

DETAILS OF THE MERCHANT DISCOUNT RATE & SERVICE CHARGES

MERCHANT TURNOVER DECLARATION:

Annual Turnover of up to Rs. 20 Lakhs*

Annual Turnover above Rs. 20 Lakhs

A) MERCHANT DISCOUNT RATE

The Merchant Discount Rate (MDR) as provided below and shall be recovered for every transaction and the settlement of the net proceeds will be done in line with the conditions enumerated in the Merchant Establishment Agreement signed and as per the agreed settlement period of T+ working day(s) and shall be net of the transaction amount less MDR and applicable taxes.

For -VISA/MasterCard/Rupay

Sl.No.	Particulars	MDR*** (% of the transaction amount) + Applicable Tax
1.	On-Us Debit Card Transactions up to Rs.2000/-	
2.	On-Us Debit Card Transactions above Rs.2000/-	
3.	Off-Us Debit Card Transactions up to Rs.2000/-	
4.	Off-Us Debit Card Transactions above to Rs.2000/-	
5.	Credit Card Transactions irrespective of Transaction size	
6.	Foreign Card Transactions (INR)	
7.	DCC transactions	

For - AMEX

Sl.No	Particulars	MDR*** (% of the transaction amount) + Applicable Tax
1.		
2.		

For –QR Transaction

Sl.No.	Particulars	MDR*** (% of the transaction amount) + Applicable Tax
1.	On-Us Debit Card Transactions up to Rs.2000/-	
2.	On-Us Debit Card Transactions above Rs.2000/-	
3.	Off-Us Debit Card Transactions up to Rs.2000/-	
4.	Off-Us Debit Card Transactions above Rs.2000/-	
5.	Credit Card transactions	
6.	UPI transactions	
7.	Credit Card on UPI Transactions	

*If the annual turnover breaches the threshold of Rs.20lakhs MDR applicable to Domestic Credit Card Transactions will automatically be revised to 2.10% and MDR applicable to Debit Card Transactions of above Rs.2,000 will be automatically revised to 0.90%

**The Merchant agrees that the prices charged to the Card Members will not exceed the prices charged by the Merchant to the public for the relevant goods or services.

#Subject to review from time to time and as suitably informed to the Merchant

B) SERVICE CHARGES

i. The Merchant shall pay quarterly commitment charges as mentioned below in case he fails to generate minimum volume of sales as provided below. Such service charge shall be recovered from the merchant from the settlement account/net credit proceeds in the subsequent month without any intimation. In case a merchant notes any discrepancy the same shall be given in writing to the office within 7 days of such recovery failing which SBI Payments would assume that the charges were correct.

S.No	Branch	Quarterly value of transaction per TID	Quarterly charges per TID
1	Metro	Less than Rs.45000/-	Rs.750/- + applicable Tax
2	Urban	Less than Rs.30000/-	Rs.600/- + applicable Tax
3	Semi-Urban	Less than Rs.20000/-	Rs.450/- + applicable Tax
4	Rural	Less than Rs.15000/-	Rs.350/- + applicable Tax

Note – Commitment charges for QR will be nil.

ii. In case of the below-mentioned situations, SBI Payments has the right to recover charges from the merchant as under:-

Sl. No.	Particulars	Charges
i.	De-Installation Charges	If de-Installation is done <ul style="list-style-type: none"> • within 6 Months from the date of installation Rs.500/- • after 6 Months and before 1 year from the date of installation Rs.150/-
ii.	Adaptor Replacement Charges (First would be provided free of cost)	<ul style="list-style-type: none"> • Rs.500 (including tax) for PSTN & Desktop GPRS models or actual charges whichever is higher • Rs.600 (including tax) for Portable GPRS models or actual charges whichever is higher
iii.	Physical Damage to the terminal due to mishandling (other than normal wear and tear)	<ul style="list-style-type: none"> • Rs.3000 + Applicable Tax or the Actual Charges whichever is higher to be debited to merchant account as per actuals

iii. Merchants wanting a hard copy of the monthly transaction MIS, may request the same to SBI Payments in writing for a charge of Rs.50 per/month plus applicable tax. The transaction details would be provided to the Merchant within 15 Days of the subsequent Month except in circumstances beyond the control of SBI Payments.

iv. Merchants wanting e-charge slip facility may request the same to SBI Payments for a charge of Rs._____/month plus applicable tax.

Accepted,

(Sign and Stamp of the Merchant)