

QFPay Merchant Service

Terms and Conditions (General)

1. Covered Area

Services covering the jurisdiction of the Hong Kong Special Administrative Region, the Company have the right to decide on individual cases whether to provide services.

2. General

2.1 The Merchant shall continue placing promotional items in an eye-catching position at the cashier's counter and affix their electronic payment stickers at the entrances and exits. If the arrangement is not fulfilled, the Company will propose rectification. If invalid, the Company has the right to cancel the service.

2.2 If the Merchant uses Merchant Static QR Code solution, the Merchant shall ensure that the electronic payment QR code stickers are completely and safely placed at the right place and it cannot be overlaid by any item and materials for avoiding QR code is torn off, altered or replaced, otherwise the Merchant shall be solely responsible for any negligence damages and the Company's losses.

3. Payment

3.1 **Payment of Service Fee**

The Merchant agrees that the Company may deduct, in whole or in part, any Service Fee that is due and payable but has not otherwise been paid by the Merchant, from the relevant Funds available for Settlement.

3.2 **Over/Under-Charges**

If the Company charges the Merchant more than the Service Fee set forth in this Agreement, the Company will return the additional Service Fee charged to the Merchant as soon as practicable. If the Company charges the Merchant less than the Service Fee as agreed, the Merchant shall pay the outstanding Service Fee to the Company immediately upon the Company's request and the Company has the right to deduct the Under-Charges in the Net Settlement Amount.

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4. Settlement Process

4.1 **Bank Account**

The Merchant will bear all losses arising from the incorrect information of its banking details provided in the Agreement.

4.2 **Transaction List**

(A) For the Merchant who use the Merchant QR Code solution, the Company will provide an electronic payment collection application, which memory has twelve (12) months of transaction record; or

(B) After 2:00pm (Hong Kong time) of each day, the Company will make available for download by Merchant from data base. the Company will make a list of all recorded transaction available during the immediately preceding day for which Payments have been received (the “**Transaction List**”) from data base for the Merchant to download. The Transaction List shall set out the Company’s determination of the Settlement Fund and the Net Settlement Amount, and in the absence of manifest error or valid dispute by Merchant shall be final and binding on Merchant in relation to such amounts.

4.3 **Fund Transfer**

Subject to the Company exercising its rights to withhold, deduct or set off in accordance with this Agreement, the Company will transfer to the Merchant an amount equal to the “**Net Settlement Amount**” in accordance with the formula set out below:

4.3.1 **Net Settlement Amount** = Settlement Fund – Refund (if any) – Dispute Amount and Reimbursement (if any) - any other amount that the Company may deduct in accordance with its rights to withhold, deduct or set off under this Agreement; and

4.3.2 **Where: Settlement Fund** = Fund Available for Settlement – Service Fee.

4.4 **Settlement File** Following the transfer of any Net Settlement Amount to the Merchant’s designated bank account, the Company will provide a file containing the relevant settlement information (the “**Settlement File**”) in relation to that Net Settlement Amount.

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4.5 **Incidental Fee for Fund Transfer**

In connection with transferring the Net Settlement Amount to the Merchant, the Company will be responsible for bank charges (if any) imposed by banks which the Company initiates the transfer of such Net Settlement Amount. For any other fee or charges imposed by beneficiary banks (where Merchant has a bank account), intermediary banks or other payment the Company passing or receiving such Net Settlement Amount on behalf of Merchant, Merchant shall be solely responsible for any such fee or charges.

5. **Settlement and Settlement Limits**

5.1 **Currency Conversion** - When the transaction amount or other account payable paid by the Merchant to the Company are different from the settlement currency under this Agreement, the transaction amount or other accounts payable shall be calculated in accordance with the date of occurrence of the transaction amount or other accounts payable and the prevailing market exchange rate of the designated bank of the Company.

5.2 **Inquiry Regarding Settlement** - Any inquiry by the Merchant with respect to settlement shall be made in writing and Merchant shall provide any information reasonably required by the Company to assist with such enquiry. The Company will, acting in a commercially reasonable manner, assist the Merchant in resolving the relevant matter and provide a written response to the Merchant after receiving such written enquiry from the Merchant.

6. **Risk Management Rules**

6.1 The Merchant shall be responsible for any cost and loss incurred by any unauthorized payment, including but not limited to disputes in relation to the transaction and related cost.

6.2 The Merchant agrees that if the Company determines in its sole discretion that certain features of the electronic payment user may be subject to high risk of Unauthorized Payment or fraudulent Transaction, the Company may suspend or terminate, with reasonable notice, the provision of such part of the electronic payment user, including but not limited to adjusting payment limit (whether per Transaction or per day) of the electronic payment users are able to use to complete the payment from time to time.

6.3 The Merchant shall use its best efforts to promptly answer electronic payment user's enquiries and resolve any disputes in relation to the goods and/or services provided by the Merchant.

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7. Chargeback

- 7.1 For any inquiry notice and request regarding transaction from the Company, the Merchant shall reply and provide the original receipt and relevant transaction record to the Company via e-mail within three (3) working days after receiving such notice from the Company.
- 7.2 Each Party should assist in handling properly the complaint on the Payment Service and implementing solution put forward by the Counterpart.

8. Fraud and Risk

- 8.1 If electronic payment users claim reimbursement from the Merchant for unauthorized payment or other fraudulent transactions submitted and conducted via Electronic Payment Platform, the Merchant shall implement the following rules:
- 8.2 **Transaction Evidence** – The Merchant will provide the Transaction Evidence within 3 Working Days upon electronic payment's request.
- 8.3 **Reimbursement** – If Electronic Payment Platforms do not receive the transaction evidence, or deem the transaction evidence to be inadequate, the Merchant shall promptly pay the Company the same amount as the problematic transaction settled by the Company at that time in the designated bank account of the Merchant.
- 8.4 **Reimbursement Obligation** – After the Merchant provides the transaction evidence, the Company will try to query and assist Electronic Payment Platform to determine the effectiveness of the reimbursement. The Merchant must expressly agree to indemnify and hold the Company harmless for the amount to be agreed between the Merchant and the Company reimbursed to the electronic payment user.

9. Payment Policies of Electronic Payment Platforms

- 9.1 **Responsibilities for Service Fee** – The Merchant will pay any Service Fee and Settlement Fee (if any) for using the electronic payment Services and will not, directly or indirectly, transfer any such Service Fees and Settlement Fee (if any) to its electronic payment users in the normal course of business.

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- 9.2 **Electronic Payment Wallet as payment method** - The Merchant will not restrict its customers in any way from using electronic payment wallet as a payment method at checkout at any sales channel, including but not limited to requiring a minimum or maximum purchase amount from customers using electronic payment wallet to make Payments.
- 9.3 **Prohibited Products (Refer to Appendix 2)** – The Merchant fully acknowledges that the Company must not provide electronic payment Services with respect to any Transaction which is prohibited by this Agreement (including Payments in relation to Prohibited Products), Applicable Law or violates Electronic Payment Platform’s internal policies (as notified to the Merchant from time to time), or which will result in electronic payment being considered to have breached any Applicable Law. The Merchant will provide electronic payment information about its Products as reasonably requested by Electronic Payment Platform from time to time. The Merchant will not sell Products through electronic payment’s Platform that contain articles prohibited or restricted from being sold to electronic payment Users under any Applicable Law, including without limitation the products listed in Appendix 2, which may be updated by Electronic Payment Platform and notified to the Merchant from time to time (together, “**Prohibited Products**”). The Merchant will ensure that no Transaction being submitted for electronic payment’s processing involves or relates to any Prohibited Products (“**Prohibited Transaction**”). Electronic Payment Platform will have the right to refuse to provide any electronic payment Services with respect to any Prohibited Transaction and Merchant will indemnify electronic payment for any damages, losses and liabilities that Electronic Payment Platform may suffer arising from or in connection with such Prohibited Transactions.
- 9.4 **Products** – The Merchant will use electronic payment Services only for the Products in connection with Merchant’s principal business as indicated in the Agreement.
- 9.5 **Storage of Transaction Information** – The Merchant will maintain the records for each Transaction to justify its authenticity for the period of seven years after the completion of the Transaction and Electronic Payment Platform and the Company shall be entitled to review or otherwise access such records. Subject to any legal restrictions under Applicable Law, Merchant will procure that the Company and Electronic Payment Platform be provided with or granted access to, the relevant transaction information including but not limited to information on the Merchant, The Merchant’s Platform, Products, and the amount, currency, time and counterparties to each transaction, within three (3) working days of the Company or Electronic Payment Platform’s request. Subject to any restriction under Applicable Laws, the Company will advise the Merchant of the names of such the Company or regulatory and/or governmental authorities and the subject matter to which such requests relate.

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- 9.6 **Set off & Withholding** – The Merchant agrees that the Company shall be entitled, at its sole discretion, to set off, withhold settlement. The circumstances under which the Company and Electronic Payment Platforms may exercise its rights under this Clause include, but are not limited to;
- (A) if the Merchant fails to comply with any term of the Agreement signed or this Terms and Conditions.
 - (B) if the Merchant is involved (or reasonably suspected to be involved) in any suspicious fraudulent or illegal transactions / businesses / activities according to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap.615) and Guideline on Anti-Money Laundering and Counter-Financing of Terrorism of Hong Kong Monetary Authority
 - (C) if the Company and Electronic Payment Platform believe that the Merchant has or is likely to become subject to bankruptcy, insolvency, reorganization, winding up or similar dissolution procedures.
 - (D) if the Company and Electronic Payment Platform reasonably believes that there has been a material deterioration in the financial condition of the Merchant;
 - (E) if the Company and Electronic Payment Platform reasonably believes that any Transaction is a Prohibited Transaction;
 - (F) if the Merchant fails to pay the service fee under the electronic payment service to the Company as stipulated in this Agreement; and
 - (G) any loss to the user or the Company as a result of any breach of any other stipulation in this agreement.